The Financial Times, November 7, 1975

FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

GB II breaks clipper record

Great Britain II crossed the finishing line at Sydney harbour yesterday to win the first leg of the FT Clipper Race. Kriter II, the French ketch, was only miles behind, after following the British yacht for 13,650 miles.

Not only has Great Britain II won the first leg but she has also broken the 105-year-old 69-day record for the voyage under sail which was established by the clipper Patriarch—covering the distance in 67 days, 7 hours and minutes.

Kriter II eventually crossed the line six hours and 28 minutes behind her rival, but still more than 35 hours inside the Patriarch's time.

In the closing stages it seemed that Kriter II might catch the British yacht, but Mike Gill and his crew of 13, resorting to sails that most yachtsmen would have discarded after the wear and tear of the Southern Ocean, edged along the New South Wales coast—and won. Back Page

Sahara marchers call a halt at minefields

The vanguard of Morocco's 350,000 peace marchers halted just inside the Spanish Sahara yesterday afternoon as it came up against the minefields and guns of the Spanish Foreign Legion.

The Moroccan marchers—the Prime Minister and Cabinet members among them—carried copies of the Koran and sang patriotic songs. At the United Nations the Security Council was called into session to consider a resolution prepared by its president, Mr. Jacob Malik, the Soviet Ambassador. The text was not made public. Page 5

SDN to close to-morrow

The Scottish Daily News, launched as a workers' co-operative last May, is to cease publication to-morrow, but the newspaper's 519 employee-shareholders plan to occupy its Glasgow premises and publish limited issues. Back Page

Sadat in move on PLO

President Sadat of Egypt who arrived in London yesterday at the start of a three-day official visit, is to seek support from Britain for a UN General Assembly draft resolution which would call for Palestinian participation at a reconvened Geneva peace conference. Picture, Page 9

'Profit' from EEC

Britain's payments to the EEC budget in the first eight months of this year were £212m. against receipts of £269m.—showing a "profit" of £57m. Mr. Joel Barnett, Chief Secretary to the Treasury, told the Commons. Page 16

Winning Wigan

Wigan yesterday gave nine winners in 12 selections, including his three starred tips—Granada (8-13), Truly Yours (1-3) and String Along (3-1), a 7½-1 treble. To-day's racing, Page 2

Briefly . . .

Bishop of Liverpool, Lord Boyle and other public figures yesterday launched an appeal to pay the legal costs of Mr. Peter Hain, Young Liberal leader who is accused of stealing £490 from a bank.

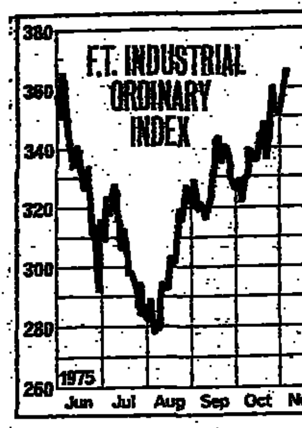
Justice A.S.M. Sayem, Chief Justice of Bangladesh Supreme Court was sworn in yesterday as President. Page 5

About 1,000 people in the U.K. reach their 100th birthday each year, Mr. Brian O'Malley, Social Security Minister of State, told the Commons.

BUSINESS

Equities up 5.2 at 1975 high

● EQUITIES were again strong. The FT 30-Share Index closed 5.2 up at 366.0—the highest level for just under two years. Official markings of 8,636 were



the highest since May 21, and rises were ahead of falls by five to one. The FT Gold Share Index gained 7.2 to 273.9.

● GILTS were confident, and longs and some shorts closed ½ up in places. The FT Government Securities index gained 0.19 to 58.24.

● GOLD closed unchanged at $146½.

● STERLING gained 45 points to $2.0690; its weighted depreciation was unchanged at 29.3 per cent. The dollar's fall widened to 2.78 (2.66) per cent.

● *WALL STREET closed 4.35 up at 840.92 on hopes of a rescue plan for New York City.*

● STOCK EXCHANGE and clearing banks close at mid-day on December 24 and re-open on December 29.

U.S. wholesale prices up 1.8%

● U.S. WHOLESALE prices rose 1.8 per cent. in October, their largest rise for a year, demonstrating inflationary pressures that threaten the current recovery. Prices rose 0.8 and 0.6 per cent. in the previous two months respectively. Page 4

● GLAXO plans to build a pharmaceutical chemicals plant at Annan in Dumfriesshire employing about 200 and costing up to £15m.

● TREASURY officials promised to publish cash limits on certain departmental programmes next year in response to criticism that public expenditure is out of control. Back Page

● BRITISH Leyland International managing director has flown to Rome at the request of the Italian Government to discuss plans to cut the Innocenti workforce by 1,700.

● U.K. ECONOMY would be badly hit if an oil price fall made marginal North Sea fields uneconomic, warned the EEC Commissioner for Energy. He said the EEC should evolve a policy taking Britain's producer role into account. Page 9 and North Sea oil review, Page 25

COMPANIES

● BURMAH OIL shares in Shell Transport and Trading worth about £7m. were placed through the stock market with institutional investors. Back Page. The Anglo-Dutch Royal Dutch-Shell group, in which Shell Transport has a 40 per cent. holding showed a net income for the third quarter of £217m. (£304m.) The nine-month figure is down at £674m. (£872m.). Page 22 and Lex

● HOOVER pre-tax profit for the nine months to October increased to £14.618m. (£8.314m.). Directors say the company "is in a good position to take full advantage as market conditions improve." Page 22 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated.)

RISES

Treas. 3½pc 1977-80	£78½	+ ¼
Treas. 12½pc 1992	£89½	+ ¼
Anglia TV 'A'	94	+ 4
Assoc. Newspapers	95	+ 5
Audiotronic	41	+ 4
Bisford (S. & W.)	231	+ 10
Crater	175	+ 5
Dalton Group	65	+ 5
Direct Radio Servcs.	53	+ 7
Courtaulds	148	+ 5
Dawson & Barfos	55	+ 10
[illegible]ty	137	+ 7
[illegible]ey	72	+ 5
[illegible]wed	91	+ 5
[illegible]	248	+ 5
[illegible]	53	+ 6
Hopkinsons Hldgs.	54	+ 5
[illegible]ting Assoc.	74	+ 6
[illegible]cape	356	+ 9
Metal Box	262	+ 8
Ocean Wilsons	*106*	+ 11
Tate & Lyle	250	+ 12
Thomson Org.	215	+ 10
Tunnel Hldgs. 'B'	171	+ 6
Unilever	410	+ 8
Woodhead (J.)	82	+ 7
Anglo American	385	+ 10
Buffels	£16¼	+ 1¼
De Beers Dfd.	317	+ 8
Gold Fields S.A.	£25¼	+ 1½
Pot. Plat.	184	+ 9
Rand Selection	800	+ 30
Tanganyika Concs.	160	+ 12
Union Cpn.	435	+ 20

FALLS

Airflow Streamline	24	− 7
MY Dart	38	− 4
Matthews Hldgs.	46	− 4½
Movitex	5	− 3½
Reardon Smith 'A'	96	− 11
Shell Transport	376	− 8

Government wants more facts on Chrysler

BY JOHN BOURNE, LOBBY EDITOR

Faced with what some senior Ministers are calling "the biggest and most serious industrial problem" they have ever encountered the Cabinet yesterday decided that further detailed consideration must be given to the Chrysler Corporation's request for Government assistance for its U.K. operation.

No decision is expected to be reached for a week or possibly more.

The Prime Minister told the Commons that the situation was "highly critical" and he did not wish to say anything which would make the talks with Mr. John Riccardo, the corporation's chairman, more difficult.

"When the Government is faced with all the problems including those of new Chrysler models, and when the Government is presented with a pistol at its head, it is important that discussions should continue," said Mr. Wilson.

He assured the House that it would receive a report as soon as practicable.

Gloomy

Mr. Eric Varley, the Industry Secretary, who had long talks with Mr. Riccardo in London earlier this week, intends to ask him to return from the U.S. for further discussions—probably next week.

In their gloomy comments yesterday about the "colossal problems" posed by Chrysler U.K.'s financial difficulties, senior Ministers said privately that they could not indicate which way the Government's decision would go. Various approaches to possible assistance were being studied, but all of them would involve giving a vast amount of money to Chrysler.

Ministers refused to comment on the impression gained by Labour MPs who met Mr. Riccardo on Wednesday that the sum could be over £100m. They simply insisted that the figure would be very large.

The issues the Government is still considering are:

● Is the pistol mentioned by Mr. Wilson really loaded and would the Chrysler Corporation be likely to fire it—that is—to pull out of the U.K.?

● Should the Government try to keep the whole of Chrysler U.K. going, or only parts of it?

● The repercussions on unemployment if the plants were to close. According to Mr. J. Carty, chairman of the joint shop stewards' committee at Linwood, who was at Westminster yesterday lobbying MPs, about 7,500 workers are employed at Linwood in Scotland, 10,000 at Coventry and 5,000 at Luton and Dunstable.

● The repercussions of any decision on the U.K.'s balance of *payments, and the fact that* Chrysler U.K., is part of a U.S. multi-national company — one of the first multi-nationals ever to ask the Government for aid on this scale.

● The fact that the £1,300m. rescue operation for British Leyland would already pre-empt a large amount of Government money at a time of serious economic recession.

● The financial implications of Chrysler U.K.'s lack of any new car models. Ministers believe that a new model was unlikely to be launched for some years.

● The size of Britain's total car-making capacity and the likely demand for its products. Some Ministers maintain that the world's car-making capacity is already too great.

The only firm view the Government seems to have reached is that if it were to decide to help Chrysler, it would be entitled to insist on a say in the company's management in the U.K. with Government nominees on the Board.

They also believe that there is a lot wrong with the company's management at present.

The Conservatives are, meanwhile, reserving their position until they have all the facts about the Chrysler Corporation's difficulties.

Mr. Carty said yesterday that Mr. Varley had been unable to see his four-man delegation but that he had been assured that the workers could be consulted before any conclusion was reached by the Government.

Peter Foster writes:— It became clear yesterday that Chrysler's application for a £35m. loan from Finance for Industry, the City's main vehicle for medium term industrial finance, fell through because it was felt that it could not be negotiated "on a commercial basis."

Sources close to FFI revealed that although the purpose of the loan—to fund the company's export business with Iran—was acceptable, Chrysler's financial position put it out of the question.

Chrysler yesterday denied that its Maidstone plant had been singled out for inevitable closure.

CBI says recession has bottomed out

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

LABOUR SHEDDING by U.K. manufacturing industry is going on at "a massive rate" and another 120,000 people will be losing their jobs before the beginning of next year, according to the Confederation of British Industry.

The latest industrial trends survey from the CBI suggests that industry has at last seen the bottom of the current trough in *demand. But, because there is* always a time-lag between the impact of recession and the labour shake-out it causes, the reduction in manufacturing employment will go on for some time.

CBI survey of business trends, Page 13;
Editorial comment, Page 18

Indications now are that the number of employees in manufacturing industry—on a seasonally adjusted basis—will be around 7.2m. in January 1976, down by 400,000 or 5.5 per cent. on the total in January this year.

The CBI forecasts based on the survey have been remarkably accurate in the 17 years since it was introduced.

There is nothing in the latest survey, involving replies from companies employing more than 3m. people and accounting for about half of the U.K.'s manufactured exports, to suggest that the confederation should change its estimate that total unemployment will reach between 1.25m. and 1.5m. by the end of 1976.

However, the survey, taken at the end of October, does show, according to Mr. J. Campbell Fraser, chairman of the CBI Economic Situation Committee, "that the light at the end of the tunnel is getting a little brighter."

While manufacturing industry as a whole is still deep in recession, the survey brings signs, particularly in the consumer goods sector, that the recession is not getting any deeper.

And the trends in new orders are beginning to look a little better.

Industry's investment intentions are also a little brighter but were at a very low point.

Companies are less pessimistic about exports. But many more are worried about Britain losing its price competitiveness with its major rivals.

The latest survey included a special question about corporate liquidity. One-third of the companies reported that their situation had worsened in the three months since the July survey.

Where an improvement has been achieved it has, to a very significant extent, reflected reduced investment in fixed and working capital and lower employment. Many companies are seriously worried about how to finance increased working capital requirements when industrial activity picks up again, it is hoped next year.

Constraints

Cost increases have been reported at a remarkably high level while price rises have been pushed through at a much lower rate—suggesting that margins of profit are being squeezed again.

And one company in five says that it has profitable investment opportunities which it cannot take up because of financial constraints.

The latest cost increases would probably work through to prices in six to nine months' time.

The CBI maintains that "now is the time to abolish—or at the very least make fundamental changes in—the Price Code" because the immediate ability of companies to pass on price increases is restrained by market conditions (the confederation "guesstimate" is that the abolition would add less than 1 per cent. to the price index). "But the attraction of future investment, under consideration now in order to be ready to meet the next expansion of demand would be enhanced."

The confederation also insists that the fact that the consumer goods sector is showing tentative signs of emerging first from the recession reinforces its assertion that there should be no reflation of consumer demand.

Mr. Fraser added that the other key policy point to emerge from the latest survey was that "employment is falling quite sharply and will fall more sharply and for longer unless pay increases are successfully moderated."

Left attacks Chequers pact

BY PHILIP RAWSTORNE AND ARTHUR SMITH

THE GOVERNMENT'S new industrial strategy has evoked the wrath of the Tribune group of Labour MPs, but has met a conciliatory response from industry.

Lord Watkinson, deputy president of the Confederation of British Industry, said yesterday: "We must judge very carefully whether the Government has had a change of heart and strategy. If so, then we must change our attitudes too."

He told the annual convention of the Institute of Directors in London. "Somehow we must get our nation back on the middle ground of working together—Government, unions and employers—because it is only on the middle ground that success can be found."

Without such common agreement Britain would slide down, as in the past few years, into economic collapse, he said.

Lord Watkinson stressed that the time had come for action. The directors would have to see by results whether the Government and the rest of society did want to achieve a high-output, high-earnings economy.

If such a goal were to be realised then cash from profits for *future investment must be* encouraged and not "denigrated."

"If action shows that these requirements are to be in the forefront of future Government policy, then I believe we as directors must support this whoeheartedly," Lord Watkinson said.

The Tribune group said the Government's approach was an "open repudiation" of the party's industrial policies.

"The Chequers document is once again clearly designed to appease the CBI and the City of London, who, despite these retreats, will not be satisfied."

The Government's approach, it said, could "only mean a further bolstering of a decaying system, the weakening of Labour's social objectives and its commitment to a fundamental shift of wealth and power to working people."

Mr. Eric Heffer, the former Industry Minister and a leading member of the group, said last night that the issue would be raised at the next meeting of the party's national executive committee.

The group also intends to campaign actively against the Government's new policy in the country. "Our object is to move the Government back on to the lines agreed by the party itself," said Mr. Heffer. "At the same time, nobody on the Left is going to be responsible for bringing the Government down."

In its statement, which *followed earlier critical questioning* of both Mr. Harold Wilson and Mr. Denis Healey in the Commons, the group bitterly condemned the further weakening of the part to be played by the National Enterprise Board and planning agreements in the Government's future policy.

The role of the NEB would clearly be reduced to that of an investment bank, largely for private industry, and to an updated version of the old Industrial Reorganisation Corporation, it said.

"The whole emphasis of the Chequers document is on production for profit rather than production for use as envisaged by Socialists.

Institute of Directors conference Page 12; Politics Today Page 13
Parliament Page 16

"In place of positive steps towards Socialism, we are offered a type of semi-democratic, corporate State concept. This can in the long run weaken both Parliamentary government and democracy itself."

The group claimed that the Chequers meeting had underlined the urgent need for its own proposals to be implemented *if the country were to* avoid 2m. unemployed over the next 18 months, and economic catastrophe.

The Government's policy was "a recipe for political and economic suicide" it said.

In a seven-point plan for alternative action, the group urged the Government to take immediate measures to reflate the economy behind the protection of widespread but selective physical controls on imports designed to cut the import bill by some £3bn. a year.

Some of the group's members said that the situation was now so grave that the Government should be thinking in terms of selective exemptions from controls rather than their imposition on a few selected industrial products.

The group's proposals also include a cut of £1bn. in real terms in defence spending, but rejection of any significant reductions in other areas of public expenditure.

At the directors' convention the prospect of moves to ease price controls before next summer was firmly ruled out by Mrs. Shirley Williams, the Prices Secretary.

However, she emphasised that the Government would look into the possibility of linking any relaxation of the Price Code *directly to new investment.*

Less than 2,000 directors attended the convention compared with the 5,000 last year.

FT radical retraining plan

BY JOHN WYLES, LABOUR REPORTER

A RADICAL scheme to spend "millions of pounds" on retraining and protecting the incomes of workers made redundant by modernisation plans was made public by the Financial Times yesterday.

The high priority given by the FT to cushioning the effects of its new technology plans, which will lead to a reduction of 533 jobs, was cautiously welcomed by several printing union leaders.

Despite this, however, negotiations on the FT's scheme face several *major* hurdles, partly because the newspaper is asking the printing unions to abandon traditional demarcation lines and partly because the National Graphical Association is demanding a prior guarantee that there will be no compulsory redundancies.

The NGA's co-operation is central to the smooth introduction of new technology at the FT and several other newspapers, and its hard line on redundancies could hinder moves at industry level on the introduction of new technology.

These moves started yesterday when leaders of five of the seven printing unions agreed to co-ordinate policy prior to a meeting with national newspaper employers in December which will discuss the crisis facing the newspapers and the implications of modernisation.

Revealing the company's proposals yesterday, Mr. Alan Hare, the FT managing director and chief executive, hoped that the proposed reduction in manning, affecting 273 of the newspaper's 820 production workers, "should, and can, be achieved without compulsory redundancies."

To achieve this, the management has suggested to the printing unions that every employee who loses his job because of the company's new technology plans should undergo a retraining programme, at the company's expense. The FT would then seek to find an alternative job in the employee's chosen field.

During the retraining, and as long as an earnings difference exists, the FT has offered to bridge the gap between the employee's net salary in his new job and his net earnings as of July 11 this year.

By this method the paper hopes to cut its staff from 1,329 to 796. For the remaining employees whose work involves the new technology, the FT is asking the unions to form a new technology section in which traditional "territorial concepts" would be ignored when jobs are allocated. Each union would be paid the subscriptions covering the total membershsip of the section, irrespective of its actual membership.

Mr. Hare said that the precise costs of its scheme depended on the outcome of negotiations with the unions "but it will involve us in an expenditure of millions." But the paper's resources were not infinite and so the company could not give a "limitless guarantee" in its proposal to preserve net income.

The new technology plans were announced in July and Mr. Hare revealed yesterday that "subject to some small points of clarification" the FT had decided to accept a tender from ICL "which should make us the most technologically advanced newspaper in the world."

The first phase, the introduction of computerised typesetting was due in the second half of next year. Stressing the necessity for change, Mr. Hare said: "We are not saying that unless we get what we require in three or six months time, the newspaper will close, but unless a scheme on the lines we are proposing can be agreed, it is likely that at some future date this will happen."

£ in New York

—	Nov. 6	Previous
Spot	$2.0687-0697	$2.0645-0650
1 month	0.95-0.85 dis	0.98-0.95 dis
3 months	2.55-2.45 dis	2.86-2.81 dis
12 months	2.15-3.00 dis	8.22-8.12 dis

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LOMBARD

A share-holding democracy

BY C. GORDON TETHER

ONE KNEW that it could only be a matter of time before someone threw a bucket of cold water *on the fashionable theme that the* key to Britain's industrial recovery lies in greater worker participation in management by arguing that the whole idea was a capitalist trick.

And Mr. Scargill, the Yorkshire miners' leader, duly "obliged" a week or so ago when he argued that worker *control* or participation was just a means of "propping up, perpetuating and retaining a corrupt capitalist system." The most effective way for workers to control their own destinies, according to him, is through a strong trade union.

The trade unions are, of course, traditionally suspicious of all measures that could have the effect of undermining worker solidarity by creating "management-orineted" *elements in their* midst. So what is remarkable here—remembering all the talk we have been getting about the unions being dominated by Left-wing extremists—is that so few other trade union leaders have come forward to make the same point is Mr. Scargill. The real surpries, perhaps, is that his doubts about the value of the "management participation" approach to industrial democracy are *share—though usually for* different reasons—by a not inconsiderable number of people who are in no way identified with Left-wing extremism.

More effective

*Thus Sir Bernard Miller, for*mer chairman of the John Lewis Partnershsip, recently declared that the right appreach to the *problem* of establishing a satisfactory relationship between capital, management and labour lay in abolishing equity capital and transferring company ownership to the workers under trust arrangements aimed at combining managed and management in a joint responsibility.

Mr. Kenneth Cooper, managing director of Industrial Leasing and Finance, talked on similar lines when he outlined a comprehensive programme for tackling the inflation problem to the Industrial Forum earlier this week. After drawing attention to "inappropriate" aspects of the capitalist system he went on to declare that a free enterprise society should strive to establish a meaningful partnership between labour and investors. It would do so by seeing that the *business system treated its most* important possession—employees who invest their lives and skills in their companies—as "*contingent* assets to which a value would be ascribed based on pay and service."

This, Mr. Cooper insisted, *would be "a far more effective* and direct means of promoting industrial democracy than two-tier boards, supervisory boards and other artificial ideas

Whether the practice of vesting ownership of the means of production in equity shareholding is as "outmoded and divisive" as *Sir Bernard Miller alleged* in developing his argument for worker ownership is, of course, a matter for debate. But the case *for* favouring this approach to the democratisation of industry certainly deserves to be considered much more sympathetically than it has been up till now. And not least because the management participation alternative does appear to suffer from a number of important practical *drawbacks—quite apart from* running the risk of being interpreted as "a prop to a corrupt capitalist system."

It is true, as Mr. Ehrmann, the chairman of Airfix Industries, pointed out in our letter columns this week, that the replacement of inarticulate shareholders by equally inarticulate so-called partners would do little by itself to promote industrial democracy in large concerns. But it has to be *recognised there would be a* much better chance of employees being willing to participate in management in a really enthusiastic manner if they knew that, by doing so, they were helping their fellows both as workers in and owners of their firms.

There is also the point that socialisation of industry—to be carefully distinguished from nationalisation—would have the advantage of providing workers with more opportunities to make savings in investments that are less vulnerable to the bugbear of *inflation* than *their normal* fixed interest fare.

Moreover, if Sir Bernard Miller is right, it could lead to a rebirth of the capitalist system which would enable it to function more efficiently in the social, political and economic *context of our day. For he con*tends that it is equity shareholding from which many of the evils of the capitalist system *stem. He lists them as capital* profits, company manipulation, and financial speculation

In the past, the politicians have made *much—most of all* the Tories—of the need to create a property-owning democracy in Britain as a means of combat*ting the growing threat from* political instability. Should we now up-date this theme to make a share-holding democracy our goal?

RACING — BY DARE WIGAN

Norfolk Air for a mild flutter

AT the tag end of the flat racing season it may be considered legitimate to indulge in mild speculation. Perhaps backers may agree with me that *Norfolk Air* is an interesting proposition for the Guys and *Dolls Plate* (2.45) at *Doncaster* this afternoon.

Partridge Brook is unquestionably the form horse for the race; *and, with a good* apprentice, J. Buchanan claiming the 7 lb allowance, he has only 8 st 9 lb to carry. And *Firs Hill*, a good winner at Haydock three weeks ago, also has claims.

As for Norfolk Air, this brown colt by Blakeney, out of a mare by Tudor Melody, has visited a racecourse once when he unseated his rider before the start at Lingfield on October 8. However, he was mildly sup*ported in the betting to beat* Ashabit and Shortbread that day which suggests that he had shown some ability on the gallops at Whatcombe. I doubt whether Arthur Budgett would have sent him north and engaged J. Mercer to ride him unless he thought that there were reasonable prospects of success.

Faridina, who, in common with others in Ian Walker's Newmarket stable, has found her form late in the season, is suggested for the Spurt On Sprint Handicap Plate *(3.45)*. *Rojo*, who has been runner-up in two consecutive races over two miles, reverts to a shorter distance in the Back End Maiden Plate (1.45) and I am unable to detect any in the list of declared runners likely to beat him. Nor can I suggest a serious challenger to *Cumbria* in the Embassy Premier Chase Qualifier (3.15).

DONCASTER

1.45—Rojo
2.15—Wylam Boy
2.45—Norfolk Air***
3.15—Cumbria
3.45—Faridina**

CHELTENHAM

1.30—Golden Sol
2.40—Mrs. Parsons
3.10—Cuckolder*
3.40—Warrenbayne Prince

Fields for to-day's National Hunt meeting at Cheltenham have suffered, as was feared, owing to firm ground. But *Golden Sol*, who measured strides for a long way with Tingle Creek *at Sandown last Saturday* before both were confounded by Golden Sol's stable companion, Shock Result, is the likely winner of the Mickleton Chase Handicap (1.30).

Mrs. Parsons appears to have an easy task in the Lansdown Four-Year-Old Hurdle (2.40). *Cuckolder* is preferred to Northern challenger *Lingus* in the Cheltenham Chase Handicap (3.10). And *Warrenbayne Prince, a winner over the course* at the last meeting, looks best for the Cowley Novices Hurdle (3.40) provided (and I see no reason why he should not do so) that he stays three miles.

SALEROOM — BY ANTONY THORNCROFT

Eastern carpets take off

CHRISTIE'S had one of its best sales of the season yesterday when Eastern rugs and carpets sold for exceptionally high prices. The carpets accounted for £39,975, of the £105,955 total *for the sale.*

The top price was the £4,410 paid by a private collector for an 18th century Caucasian silk corridor carpet. The *saleroom* initially estimated this lot at £100-£150 but second thoughts lifted it to £1,000-£1,800, still *well below the amount paid. The* high bids were infectious and a large Kuba carpet, estimated at £500-£600, was bought by Vigo *Sternberg for* £3,780, while Mansour paid £3,675 for a Kashan silk prayer rug estimated at £2,500-£3,500.

Another surprising price was the £2,310 from the dealer Mannheim Bausbach for a Tabriz silk and metalwork ceremonial *saddle cover which had been* forecast as a modest £120-£150.

The prices at the carpet sale diverted interest from Con*tinental* furniture which *also* managed its successes. For example, a Dutch marquetry bureau cabinet of the 18th *century beat its target at £3,150*, while an 18th-century Venetian walnut bureau cabinet went for £3,045 as against the £1,500-£2,000 prediction.

Sotheby's in Belgravia held a £45,850 sale of silver and plated ware and objects of vertu. *The* highest price was the £2,500 paid by a private buyer for a silver gilt mounted enamel scent flask. *This was produced in 1872* by the increasingly regarded firm of wholesale jewellers, Henry William and Louis Dee, with the painting, after Fragonard, attributed to Lucien Besche.

This item was reckoned by the saleroom to be one of the best *objects of vertu it has ever sold* and the price was well above the £900-£1,200 estimate, helped by an attractive colour picture in the catalogue. It was probably made as a cabinet piece rather than used as a scent bottle.

Other good prices were the £1,900 *for a three-colour gold* and enamel photograph frame, which has been estimated by Sotheby's at £150-£250. The dis*crepancy can* be explained by the fact that the item carried the Fabergé stamp on the bottom but nowhere else, so the saleroom had doubts about its authenticity which were not apparently shared by the buyer.

A set of Victorian silver cut*lery sold for* £1,850 *and* a nice item, a large silver gilt and enamel casket by the Scottish artist Phoebe Traquair, made in 1912, and showing the wise and foolish virgins went back to Scotland for £1,600.

Edmund Penning Rowsell writes: Christie's most important vintage port sale of the season yesterday demonstrated the sharp *division in demand between* mature wines and those of younger vintages. The market for the former remains firm, not *least owing to a growing Ameri*can interest in old vintage port. But with speculative investment in port well over, there appears little general attraction for the vintages of the 1960s or the 1970, the last port year to be declared.

Top price yesterday was a record £260 a dozen for 11 bottles of the celebrated Quinta Do Noval '31, a wine seldom seen in the saleroom. Another record was £180 a case for Taylor '35, and 10 bottles of this shippers '27 went for £155 per dozen. Croft '45 went up to £125 and Graham '24 to £120, while magnums of Graham '35 made up to £48 per pair.

After that prices for later vintages fell sharply, partly, no doubt, owing to an enormous weight of wine—over 750 dozen —*sold from* a trade source in Cheshire. Prices for the '60s average £36 a dozen although one lot of Taylor's '60 rose to £48. The sale totalled £49,778.

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. (01-836 3161) ENGLISH NATIONAL OPERA Tonight & Wed. 7.30 La Boheme. Tomor. 6.30 War and Peace. Tue. 7.30 The Merry Widow. Thur. 7.30 The Makropoulos Case.

COVENT GARDEN. 240 1066 THE ROYAL OPERA Tonight, Mon. & Thur. 7.30 Un ballo in maschera. Tomor. 7.30 Il barbiere di Siviglia. Wed. 7 Carmen. Some seats available. THE ROYAL BALLET Tomor. 2 Swan Lake. Tue. 7.30 Manon.

SADLER'S WELLS TH., Rosebery Ave. E.C.1. 837 1672 (Recorded booking inf. 278 5450). From Wed. until Dec. 13. LONDON CONTEMPORARY DANCE THEATRE

THEATRES

ADELPHI THEATRE. 01-836 7611. Evenings 7.30. Mat. Thurs., Sat. 3.00. JEAN SIMMONS ANGELA BADDELEY JOSS ACKLAND in A LITTLE NIGHT MUSIC "Music that ravishes the senses . . . a show kissed with genius." Guardian.

ALBERY. 836 3878. Last Perfs. Ton't at 8.0. Tomor. 5 & 8.15. WENDY HILLER MICHAEL ALDRIDGE LIES! A new play by Trevor Baxter

ALDWYCH. 836 6404. (Royal Shakespeare Company) Recorded booking info.: 836 5332 Evgs. 7.30 Mat. Wed., Sat. 2.30. Bernard Shaw's TOO TRUE TO BE GOOD "JUDI DENCH . . . is richly funny." Guardian. "IAN McKELLEN rises to supreme heights." Sunday Times. LIMITED SEASON—must end Nov. 29.

AMBASSADORS. 01-836 1171-3212. Evgs. 8.00. Sat. 5.30 & 8.30. Tues. 2.30. HAPPY AS A SANDBAG New Hit Musical by Ken Lee. "Delightful. Don't miss it." D. Exp.

ARTS THEATRE CLUB. 836 3334. Great Newport St. (adj. Leic. Sq. Underground). Instant temp. membership avail. 15p. Evgs. Tue.Sun. at 8. ANNIE ROSS. MIRIAM MARGOLYES KENNEDY'S CHILDREN "A blockbuster." Clive Barnes, N.Y. Tms.

CAMBRIDGE THEATRE. 836 6056. Michael DENISON, Derek GRIFFITH THE BLACK MIKADO "THE BEST MUSICAL OF 1975." Sun. Times. Evgs. 8.00. Wed., Sat. 5.00, 8.15.

COMEDY. 930 2578. Evgs. 8.00. Sats. at 5.30 and 8.30. Matinees Thurs. 3.00. "The delectable HAYLEY MILLS." D.T. FRANCIS MATTHEWS. LEIGH LAWSON "Samuel Taylor's joyous comedy." E.N. A TOUCH OF SPRING "Effervescent direction by Allan Davis." "THE AUDIENCE were WEAK with LAUGHTER." Fin. Times. "THE FROLIC IS SUCH FUN." Evg. News.

CASINO. 437 6877. Opens Dec. 18. DANNY LA RUE in a new Family Xmas Show QUEEN DANIELLA

CRITERION. 930 3216. Evgs. 8.15. Mats. Thurs., Sat. 3.00. Season extended. Tom Stoppard's ROSENCRANTZ AND GUILDENSTERN ARE DEAD. "I strongly recommend it to anyone." Fin. Times.

DRURY LANE. 836 8108. Evenings 7.30. Matinees Wed. and Sat. 2.30. MICHAEL CRAWFORD in BILLY A NEW MUSICAL "MICHAEL CRAWFORD A WHOPPING WONDERFUL STAGE STAR." News of the World. "HE AND HIS SHOW ARE A TREAT." Sunday Express

DUCHESS THEATRE. 836 8243. Evenings 8.00. Fri., Sat. 6.15 and 9.00. OH! CALCUTTA! NOW IN ITS 6th YEAR "Breathtakingly Beautiful." S. Tel. "The Nudity is Stunning." D. Tel.

DUKE OF YORK'S. 836 5122. Evs. 8. Sat. 5 & 8. Mat. Thurs 3. "PERFECT image of a veneered diplomat." Tms. "SMOOTH." E.N. "SUAVE." D. Ex. LESLIE PHILLIPS [illegible] ROY KINNEAR [illegible] ROGER'S LAST STAND "A play with many Jokes." Times.

DUKE OF YORK'S. 01-836 5123. Richard Goolden, Ian Talbot in TOAD OF TOAD HALL Mats Dec. 22 to Jan. 17. Book now.

FORTUNE. 836 2238. Mon. to Thurs. Evgs. 8.00. Fri. & Sats. 6.30 and 9.00. From America THE CHARLES PIERCE SHOW

GARRICK. 836 4601. Evenings 8.15. Mat. Wed. 3.0. Sat. 6.0 & 8.40. RICHARD BRIERS "Marvellous." Gdn. ABSENT FRIENDS "ALAN AYCKBOURN'S FINEST FUNNIEST PLAY." H. Hobson. S. Times.

GLOBE THEATRE. 437 1592. BEST PLAY OF THE YEAR Evening Standard Drama Award RONALD PICKUP in THE NORMAN CONQUESTS by ALAN AYCKBOURN TABLE MANNERS Tnt. Mon., Wed. 8.15: LIVING TOGETHER Tomor. 5.30 [illegible] 8.15: R'ND & R'ND THE GARDEN Tomor. 8.30. Wed. 3.0.

GREENWICH. 858 7755. Evgs. 8.0. Mat. Sat. 2.30. Noel Coward's FALLEN ANGELS. Booking now for CAMELOT PIE XMAS SHOW. Dec. 26-Jan. 3.

HAYMARKET. 930 9832. Evgs. 8. Sat. 5 and 8.15. Mats. Wed. 2.30. "HERBERT LOM TRIUMPHS." E. News. NIGEL STOCK in BETZI "William Douglas Home is one of the wittiest writers in the country. ENCHANTING ENTERTAINMENT." S. Tms.

KING'S ROAD THEATRE. 352 7488. Mon. to Th. 9.00. Fri., Sat. 7.30, 9.30. THE ROCKY HORROR SHOW "BEST MUSICAL OF THE YEAR" Evening Standard Drama Award.

MAYFAIR THEATRE. 01-629 3036. Matinee Wed. 3.00. Sat. 5.00 and 8.30. JOAN PLOWRIGHT, HELEN MIRREN, PETER McENERY, JOHN MOFFATT, FRANK GRIMES in ANTON CHEKHOV'S THE SEA GULL Directed by LINDSAY ANDERSON "A Masterpiece. Superlative." D. Mail.

MAYFAIR THEATRE. 01-629 3036. Evenings 8.15. Sat. 5.30 and 8.40. BILLIE WHITELAW, BARBARA FERRIS and DINSDALE LANDEN in ALPHABETICAL ORDER "Michael Frayn's comedy is a delightful experience." Evening Standard.

MAYFAIR THEATRE. 01-629 3036. SOOTY'S CHRISTMAS SHOW Daily 2.00, 4.00. Sat. 10.30, 2.00, 4.00.

MERMAID. 248 7656. Food 248 2835. Evgs. 8.15. Mat. Thurs., Sat. 4.45. BERNARD MILES ELIZABETH SEAL PETER REEVES FARJEON REVIEWED A Musical Tribute to England's wittiest revue writer, HERBERT FARJEON. "The best of Farjeon is still inimitable." "Go and see for yourself for nostalgia or initiation." "Written with literate elegance not often matched in revue." SEATS FROM 75p to £2.50 or COMBINED DINNER AND THEATRE TICKETS FOR £4.95.

MERMAID. 248 7656. Food 248 2835. Dec. 15-Jan. 17. Booking Now. Swift's GULLIVER'S TRAVELS with Mike D'Abo, William Rushton.

NEW LONDON. 01-405 0072. For 3 days only THEATR CYMRU UNDER MILK WOOD Th. Nov. 13 at 8.30. Fri., Nov. 14 at 2.30 & 8.30. Sat. Nov. 15 at 6.0, 8.45.

NEW LONDON. 01-405 0072. Dec. 16-Jan. 24. Booking Now. SPIKE MILLIGAN, BERNARD MILES in the Mermaid Theatre's Award-Winning Production of TREASURE ISLAND

NEW LONDON. 01-405 0072 Last 2 perfs. Tnt., Tmr. 8.0 BRUCE FORSYTH in his own "one-man" laughter show.

OLD VIC. THE NATIONAL THEATRE. 928 7616. Tnt 7.30. Tmr. 2.15, 7.30 PLAYBOY OF THE WESTERN WORLD by J. M. Synge Mon. & Tues. at 7.30 THE MISANTHROPE Wed. 7.30 Thu. 2.15 & 7.30 PHAEDRA BRITANNICA Some seats held for sale day of performance from 10 a.m.

PALACE. 437 6834. Mon. to Thurs. 8.00. Fri. and Sat. 6.00 and 8.40. JESUS CHRIST SUPERSTAR

PALLADIUM. 01-437 7373. Opens Dec. 17 at 7.00. Subs. daily 2.45 and 7.30. LULU, RON MOODY, RACHEL GUERNEY in PETER PAN

PALLADIUM. 437 7373. Nov. 26, 27 only at 8.0. THE BLACK WATCH BAND SPECTACULAR. Highland Dancers. 80 Performers. BOOK NOW.

PHOENIX. 836 8611. Mon. to Thurs. 8.0. Fri., Sat. 5.15 and 8.30. Bristol Old Vic Musical Story of Great Gilbert and Sullivan Partnership TARANTARA! TARANTARA! "Shining Gem." D.M. "This delightful Show." E.N. "Full of life and wit." S.T.

PHOENIX. 836 8611. From Dec. 15. A. A. Milne's WINNIE THE POOH. Mats. Daily 2 p.m. & Tu. Sat. 11 a.m.

PICCADILLY. 437 4506. Mon.-Thurs. 8.00. Fri., Sat. 6.00, 8.40. KWA ZULU "Probably the most compulsively enjoyable musical show in London." F.T. "A joyous occasion, indeed." Sun. Exp Now Booking to Feb. 1976.

PRINCE OF WALES. 01-930 8681. Evenings 8.0 (Mon. Nov. 10 at 7.30). Fri., Sat. 5.30 & 8.30. HARRY SECOMBE "Lovable clowning, excellent singing." D. Mir. in THE PLUMBER'S PROGRESS.

QUEEN'S. 01-734 1166. Evenings 8.00. Mats. Thurs. 3.00. Sat. 5.30 and 8.30 ALAN BATES in OTHERWISE ENGAGED A new play by SIMON GRAY. Directed by HAROLD PINTER.

RAYMOND REVUEBAR THEATRE. 734 1593. At 7 p.m., 9 p.m., 11 p.m. PAUL RAYMOND presents THE FESTIVAL OF EROTICA 75

ROYAL COURT. 730 1745. Last perfs. Ton't 8. Tomor. 5 & 8.30. MICHAEL HORDERN CONSTANCE CUMMINGS in STRIPWELL by Howard Barker. "Superb performance by Michael Hordern." F.T. "Highly entertaining." Gdn. YOUNG WRITERS' FESTIVAL. Theatre Upstairs. Until Tomor. Ton't 7.30. Bench of Five Plays. Tomor. 2 p.m. Double Dragons. 7.30 p.m. How Do You Clean a Sunflower?

REGENT. 323 2707. Evenings 8.30. Fri. and Sat. 7.00 and 9.15. 2nd YEAR OF SENSATIONAL STAGE SHOW OF THE 70s LET MY PEOPLE COME AN ADULT MUSICAL "Never a dull moment." Evening News. 100 tickets held for sale at door.

ROUNDHOUSE. 267 2564. Last perfs. Ton't at 8. Tomor. 5 & 8.30. PROSPECT THEATRE COMPANY PILGRIM "BEST NEW MUSICAL . . . VERY EXCITING . . . SEE IT." Ev. News. Opens Nov. 12 Music Theatre from Avignon. Le Pavillon au bord de la Riviere

ST. MARTIN'S. 836 1443. Evenings 8.00. Mats. Tues. 2.45. Sats. 5.00 and 8.00. AGATHA CHRISTIE'S THE MOUSETRAP World's longest-ever run. 23rd YEAR.

SAVOY. 836 8888. Evenings at 8. Mats. Wed. at 2.30 and Sat. at 5.00. Barbara MULLEN and Derek BOND in AGATHA CHRISTIE'S MURDER AT THE VICARAGE

SHAFTESBURY THEATRE. 01-836 6596. Evgs. 7.30. Matinees Wed., Sat. 3.00. ARTHUR LOWE, JOHN LE MESURIER, CLIVE DUNN in DAD'S ARMY "Funny and touching . . . total artistic success." Sunday Times.

SHAW. 01-388 1394. Evenings 8.0. Last 2 weeks. FURTHER ASPECTS OF MAX WALL.

STRAND. 836 2660. Evenings 8.00. Mats. Thurs. 3.00. Sat. 5.30 and 8.30. DORIS HARE RICHARD CALDICOT, ANDREW SACHS NO SEX PLEASE, WE'RE BRITISH Directed by Allan Davis LONDON'S LONGEST LAUGH. 5th YEAR.

TALK OF THE TOWN. 01-734 5051. From 8.15. Dining and Dancing. At 9.30 New Revue SWEET TEMPTATION and at 11 p.m. ROY CASTLE. Opening Tuesday next SALENA JONES

VAUDEVILLE. 836 9988. Evgs. at 8. Sats. 5 and 8. Mats. Tue. at 2.45. Margaret LOCKWOOD Paul DANEMAN and Barrie INGHAM DOUBLE EDGE "Superb who-dun-it . . . the cleverest who-dun-it I have seen for years" D. Tel.

VICTORIA PALACE. 834 1317. Evgs. 8.0. Wed., Sat. 6.0 & 8.45. MIKE YARWOOD In "The Time of Your Life" ". . . a greatly enjoyable revue." D. Exp.

WESTMINSTER. 834 0283. Dec. 2 to Feb. 7. Evs. 7.30 Mats. Wed. & Sat. 2.30 Chichester Festival Theatre Prod. FOLLOW THE STAR a new Family Christmas Musical Dir Wendy Toye (Extra Mats Dec 18 & 30)

WHITEHALL. 930 6692-7765. Evgs. 8.00. Fri., Sat. 6.15 and 8.45. "Funniest play in London." Vogue. WHAT THE BUTLER SAW Directed by Lindsay Anderson. "I came away aching with laughter." Daily Mail.

WINDMILL THEATRE. 437 6312. PAUL RAYMOND presents LET'S GET LAID Twice Nightly at 7.00 and 9.00. 2nd SENSATIONAL YEAR.

WYNDHAM'S. 836 3028. Mon.-Fri. 8.00. Sats. 5.00 and 8.00. JOHN GIELGUD, RALPH RICHARDSON National Theatre Production HAROLD PINTER'S NO MAN'S LAND Directed by PETER HALL "GREAT ACTING AT ITS HIGHEST PITCH." Evg. News. Limited Season.

YOUNG VIC (by Old Vic). 928 6363. Tnt. 8 OTHELLO.

CINEMAS

ABC 1 & 2, Shaftesbury Ave. 836 8861 Sep. Perfs. ALL SEATS BKBLE. 1. GONE WITH THE WIND (A). Wk. & Sun. 2.00, 7.45. 2. LOVE AND DEATH (A). Wk. & Sun. 2.00, 5.30, 8.30. Late show Tonight & Sat. 11.30.

CASINO. 437 6877. EARTHQUAKE (A). You'll feel it as well as see it in SENSURROUND. Sep. Perfs. daily at 2.30, 5.30 and 8.30. Last Weeks.

CURZON, Curzon St., W.1. 499 3737. LES VALSEUSES (Making It) (X Ldn.) Progs. 1.55 (not Sun.) 4.00, 6.15, 8.30. Late show Saturday 11 p.m.

EMPIRE, Leicester Square. 3 DAYS OF THE CONDOR (AA). Progs. daily 2.30, 5.30, 8.30. Sep. perfs. All seats bkble. No phone bookings.

LEICESTER SQUARE THEATRE, 930 5252. See! Hear! Feel! TOMMY (AA). The Film Event of the Year. Sep. perfs. 1.20, 4.30, 8.00. Sun. 4.30, 8.00. All seats may be booked.

ODEON, Haymarket. (930 2738-2771.) SHAMPOO (X). Sep. perfs. Wk. 1.15 (not Sun.), 4.45, 8.15. Shampoo at 1.55 (not Sun.), 5.30, 8.55. Late show Fri. & Sat. 11.45. All seats may be booked.

ODEON, Leicester Square. (930 6111) BITE THE BULLET (A). Cont. progs. Wk. 2.00, 4.50, 7.50. Sun. 2.30, 4.50, 7.50. Late show Fri. & Sat. 11.15.

PLAZA 2, Regent St. 839 6494. Box Office open 11 a.m. to 7 p.m. (not Sun.). GONE WITH THE WIND (A), in 70mm. Progs. Sep. Perfs. Daily 2.15, 6.50. Late Show Sat. 11.15 p.m. All seats bookable.

CINEMAS ARE CONTINUED ON PAGE 15

TV Radio

† Indicates programme in black and white.

BBC 1

9.30 a.m. For Schools, Colleges. *10.45 You and Me.* *11.00* For Schools, Colleges. 12.25 p.m. Mynd a'r Gan. 12.55 News. 1.00 Pebble Mill. 1.45 Chigley. 2.02 For Schools, Colleges. 3.58 Regional News (except London). 4.00 Play School. 4.25 It's the Wolf. 4.35 Jackanory. 4.50 Boss Cat. 5.15 It's Not All Bombs. 5.40 Magic Roundabout.

5.45 News.
6.00 Nationwide.
6.50 Sportswide.
7.05 *Tom and Jerry.*
7.10 The Invisible Man.
8.00 Sykes.
8.30 Porridge.
9.00 News.
9.25 Quiller.
10.15 To-night.
10.45 Film '75.
11.15 Weather/Regional News.
11.17 The Friday Film: "My Sweet Charlie."

All Regions as BBC 1 except at the following times:—

Wales—1.45-2.02 p.m. Pili Pala. 6.00-7.05 Wales To-day. 7.05-7.30 Heddiw. 7.30-8.00 Fo a Fe. 8.00-8.30 Some Mothers Do 'Ave 'Em. 10.45-10.47 *News of Wales.* 10.47-11.02 Royal Colours. 11.02-12.02 a.m. Swansea Festival. 12.02-1.35 Midnight Movie: "My Sweet Charlie."

Scotland—10.23-10.43 a.m. and 11.00-11.20 For Schools in Scotland. 6.00-7.05 p.m. Reporting Scotland. 11.15-11.17 Scottish *News Summary.*

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-7.05 Scene Around Six. 10.45-11.15 Talking Heads. 11.15-11.17 Northern Ireland News.

England—6.00-7.05 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day *(from Birmingham)*; Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth). 10.45-11.15 North (from Leeds) The Way It Is With Me; North-West (from Manchester) Country Corncerns; North-East (from Newcastle) Land to Mouth; Midlands (from Birmingham) Return to Dunkirk; West (from Bristol) Waugh Talks; South-West (from Plymouth) Peninsula; South (from Southampton) Keepsakes; East (from Norwich) On Camera.

BBC 2

11.00 a.m. Play School.
1.15 p.m. Racing from Cheltenham.
7.05 Mr. Smith's Gardening Programme.
7.30 Newsday.
7.50 Pot Black.
8.15 The Money Programme
9.00 Poems and Pints.
9.25 Spirit of the Age.
10.15 Just Another Saturday.
11.30 Newsnight.
11.45 Closedown: Gary Watson reads "The Red Herring" by George MacBeth.

LONDON

9.30 a.m. Schools Programmes. 12.00 A Handful of Songs. 12.10 p.m. Mr. Trimble. 12.30 Look Who's Talking. 1.00 First Report: News, FT index. 1.20 Lunch-time *To-day.* 1.30 Crown Court. 2.00 Good Afternoon Money-Go-Round. 2.30 Racing from Doncaster. 3.55 General Hospital. 4.20 Pop Quest. 4.50 Magpie. 5.20 The Flintstones.

5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 Who Do You Do?
7.30 Rising Damp.
8.00 Hawaii Five-O.
9.00 Beryl's Lot.
10.00 News.
10.30 Police Five.
10.40 Russell Harty.
11.30 Police Woman.
12.20 a.m. Conscience Without God.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 5.20 University Challenge. 6.00 About Anglia. 7.00 Hogan's Heroes. 8.00 The Collaborators. 10.30 Probe Special. 11.00 The Friday Late Film: "A Little Game." 12.25 a.m. Christians in Action

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 5.20 Supersonic. 6.00 ATV Today. 7.00 A Joke's A Joke. 8.30 The Streets of San Francisco. 10.30 Extra Time. †11.00 Feature Film: "The Search for Bridie Murphy."

BORDER

12.30 p.m. Police Surgeon. †1.20 Border News. 5.20 University Challenge. 6.00 Border News and Lookaround. 7.00 Mr. and Mrs. 10.30 Border Forum. 11.00 Not For The Nervous "Corruption," starring Peter Cushing. †12.30 a.m. Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 5.20 Adventures in Rainbow Country. 6.00 Report At Six. 7.00 Treasure Hunt. 8.00 Barnaby Jones. 10.30 The Master Chef. 10.50 Friday Late Night Movie: "Something of Value." 12.45 a.m. News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 5.20 University Challenge. 6.00 Grampian Today. 7.00 A Joke's A Joke. 8.00 Barnaby Jones. 10.30 Wagon Train, followed by Road Report. 11.45 Evening Prayers.

GRANADA

1.20 p.m. This Is Your Right. †5.15 Chuckleheads. 5.20 Crossroads. 6.00 Granada Reports. 6.35 Space 1999. 8.00 The Streets of San Francisco. 10.30 Kick Off. 11.05 The Late Film: "The Last Hunt." starring Robert Taylor. †12.55 a.m. Douglas Fairbanks Presents.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 5.20 Orbit 5. 5.25 Crossroads. 6.01 Report West. 6.18 Report Wales. 6.35 Space 1999. 10.30 Free Time. 11.00 The Collaborators.

HTV Cymru/Wales—As HTV General Service except 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 4.20-4.50 Stesion Cantamil. 6.01-6.18 Y Dydd. 10.30-11.00 Outlook.

HTV West—As HTV General Service except 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Report West.

SCOTTISH

1.20 p.m. Road and Weather Report. 2.00 Housecall. 5.20 Babar. 5.25 Crossroads. 6.00 Scotland Today. 6.30 Husband of the Year. 7.00 Ways and Means. 8.00 *The Streets of San Francisco.* 10.30 The Odd Couple. 11.00 Late Call. 11.05 Friday Thriller: "Love Hate Love," starring Ryan O'Neal.

SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. 5.20 Betty Boop. 5.25 Crossroads. 6.00 Day By Day (Channels 6, 11, 27, 42, 56 and 60). 6.00 Scene South East (Channels 10, 43, 64 and 66 only). 6.35 Out of Town. 7.05 And Mother Makes Five. 10.30 Southern Report. 11.00 The Streets of San Francisco. 11.55 Southern News Extra. 12.05 a.m. The Doris Day Show.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 5.20 University Challenge. 6.00 North East News. 6.05 Division. 7.00 And Mother Makes Five. 10.30 Sportstime. 11.00 The *Friday Night Film: "The Killer Is Loose."* 12.25 a.m. Open Bible.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 4.18 Ulster News *Headlines.* 5.20 *University Challenge.* 6.00 UTV Reports. 6.25 Police Six. 7.00 Firehouse. 7.30 Wild Wild West. 8.30 Sportscast. 10.30 Tom and Tommy. 11.00 Police Story.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.20 Why 6.00 Westward Diary and Sports Desk 7.00 Treasure Hunt. 8.00 Barnaby Jones 10.32 Westward Late News. 10.35 Late With Danton 10.50 Friday Late Night Movie: "Something of Value." starring Rock Hudson. 12.45 a.m. Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 5.20 University Challenge. 6.00 Calendar. 7.00 And Mother Makes Five. 10.30 Calendar Sport. 10.45 The Avengers. 11.40 Night Gallery.

RADIO 1 — 247m

(S) Stereophonic broadcast.

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Paul Burnett. 12.00 Johnnie Walker including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 Rosko's Round Table. 5.45 Newsbeat. 6.02 As Radio 2. 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Simon Bates (S) including 6.15 Contact. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Contact. 9.02-11.30 Pete Murray's Open House in Ipswich (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.55 p.m. Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1500m only (also 202m Scotland). 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 A Question of Fun. 7.30 John Fox concert (S). 8.30 As You Were (S). 9.02 Friday Night is Music Night (S). 10.02 Time For Old Time at the Radio 2 Ballroom (S). 11.02 Sports Desk (1500m only, also 202m Scotland. VHF joins Radio 1). 11.05 Len Jackson (1500m only, also 202m Scotland. VHF joins Radio 1) with Music to Midnight. 12.00-12.05 a.m. News.

RADIO 3 — 464m, Stereo & VHF

‡ Medium Wave only

[illegible]

News. 1.05 Playbill (S). 1.20 Vivaldi and Haydn Recital, part 2 (S). 2.00 Salzburg Festival 1975: "Die Frau Ohne Schatten," opera in three acts, music by Richard Strauss, Act 1 (S). 3.10 Interval Reading. 3.15 "Die Frau ohne Schatten," Act 2. 4.15 Interval Reading. 4.20 "Die Frau ohne Schatten" Act 3. 5.25 Pied Piper (S). 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued). ‡6.30 Lifelines: Leisure and Recreation. 7.30 Music from Pebble Mill, part 1: Beethoven, Brahms (S). 8.20 Dr. Johnson. 8.40 Concert, part 2: Bloch, Bartok (S). 9.30 Music Now. 10.15 BBC Northern Symphony Orchestra (S). 11.25 News.

Radio 3 VHF only—6.30-7.30 p.m. Open University.

RADIO 4 — 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 To-day, including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today including 7.27 Sportsdesk. 7.35 Today's Papers. 7.45 Thought for the Day. 7.50 VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of Today including 8.27 Sportsdesk and 8.35 Today's Papers (S). 8.45 Yesterday in Parliament. 9.00 News. 9.05 Voice of the People (S from 9.20). 10.00 News. 10.05 Checkpoint. 10.30 *Daily Service.* 10.45 Morning Story. 11.00 News. 11.05 I Loathe Being Called George: Bernard Shaw. 11.50 Golden [illegible]

Reports. 15.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Forces' Chance. 6.45 The Archers. 7.00 News Desk. 7.30 Pick of the Week. 8.30 Any Questions? 9.15 Letter from America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 Lone Survivor by Tom Hopkinson (reading). 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.25 Week Ending. . . . 11.60 News

For Schools (VHF only)—9.30 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 Downtown. 11.03 In Town. 12.03 Call In. 12.45 London News Desk. 2.03 206 Showcase. 3.45 The London Gardener. 4.03 Lobby. 4.32 Home Run. 5.00 and 6.00 London News Desk. 6.30 Sportsfield. 7.00 In Town. 8.00 Good Fishing. 8.30 Platform. 10.03 Single File. 12.00-12.05 a.m. As Radio 2.

London Broadcasting — 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "A.M." breakfast-time show. 10.00 George Gale—talking to London. 12.00 Newswatch. 2.00 p.m. Newswatch—second edition. 5.00 Newsbreak. 7.30 Music in Stereo. 9.00 Adrian Love. 1.00-5.30 a.m. Nightwatch—news every half-hour.

Capital Radio — 194m and 95.8 VHF

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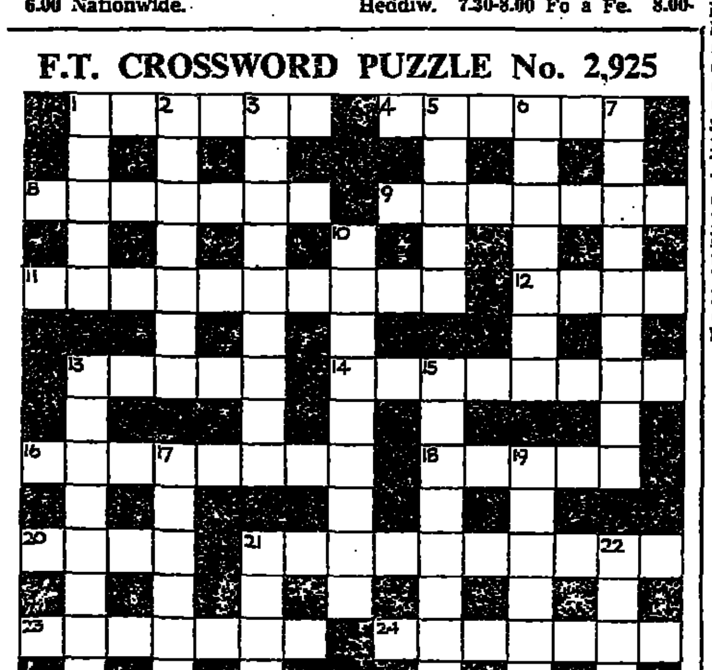
F.T. CROSSWORD PUZZLE No. 2,925



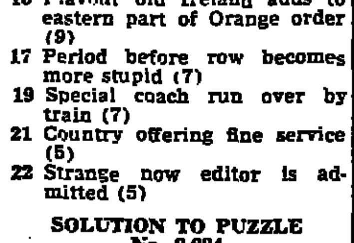
ACROSS

1 Athletic feat with small bottles (6)
4 He curses sailor's employer (6)
8 Social behaviour of lifeboat crews (7)
9 Talk about record made by U-boat (7)
11 Makes a North Sea find but come to earth with a bump (7, 3)
12 Snare for badger (4)
13 Lot of perception (5)
14 Go faster than unfashionable togs allow (8)
16 A lot of detectives leave out sweet (4, 4)
18 No Scots beastly pen is unpleasant (5)
20 Tendency to be corrupt (4)
21 See to applaud watch set by boy (4, 4, 2)
23 Reserve force on motorway fired by first class return (7)
24 Wonderful way of increasing rent (7)
25 Standard denial marines give a beginner (6)
26 Scorched in the main the colour of beetroot (6)

DOWN

1 Sergeant-major drawing sting (6)
2 College of surgery (7)
3 Harrier joins soldiers between two hills (9)
5 Railways indisposed to serve fish (5)
6 Dismiss objection to old instrument (7)
7 Country flavour has deteriorating effect on one town (9)
10 Talk like this if one might use that expression (2, 2, 5)
13 Private individual willing to go into hiding (9)
15 Flavour old Ireland adds to eastern part of Orange order (9)
17 Period before row becomes more stupid (7)
19 Special coach run over by train (7)
21 Country offering fine service (5)
22 Strange now editor is admitted (5)

SOLUTION TO PUZZLE No. 2,924



Cinema

Political fevers

by RICHARD COMBS

...ting for our Lives (No cert.)
...ite Line Fever (AA) Columbia
...t Caller (AA) Columbia

Jan Michael Vincent in 'White Line Fever'

...is a rare documentary that ...wear its partisan colours ...rly on its sleeve without pro...ng the *suspicion* that it is ...ipulating the facts at its own ...venience. *Fighting for Our* ...s (distributed by the Other ...ma) is rarer still in that ...emotive tone not only helps ...arry its argument but lends ...characters and events the ... of depth and solidity that ...usually expects to find only ...eature films. Its effective... as drama is perhaps most ...ceable in an English context ...use it creates such a sense ...mmediacy round a relatively ...ote topic—the struggle of ...fornia's migrant agriculture ...kers to achieve the standards ...pay, working conditions and ...n representation that are ...n for granted in industry.

...ke the best of Frederick ...eman's documentaries, ...*ting for Our Lives* does not ...uch chronicle events as ex... a particular social process, ...ving the participants to be...e actors in their own drama. ...s, for all the objective back...rovided in the way of statis... the farm workers' protest is ...ly seen as it evolved on the ...t lines: beginning with the ...drawal of labour and initial ...eting when, in 1973, the Cali...ia grape growers reneged on ...labour contracts that had ... drawn up with the United ...n Workers organisation only ...cade before, leading to the ...edgy confrontation with the ...e and the issuing of court ...ctions to restrict the ...ers' activity, and finally to ...bloody assaults on strikers ...both police and strong-arm ... from the Teamsters' Union ...vening on the growers' ...lf.

...the film is to be believed, ...*conditions of employment for* ... largely Philippino and ...can workforce—and not ...in California, it seems—are ...teningly primitive. Wages ...below the poverty level; no ...nployment or sickness ...fits, or old-age pensions; the ...of child labour in the fields ...practice apparently outlawed ...ne first labour contracts but ...kly resumed with the escala...of the strike. The prospects ...mprovement depend on the ...lts of elections still being ...to decide who shall repre... the workers, and on the effectiveness of the boycott against the growers' produce which the UFW has extended throughout the United States and which has been applied with particular effectiveness in Britain.

And it is perhaps at this point that the film's polemic leaves one hankering after a little more information. The final section is largely taken up with moving footage of the funerals held for the two demonstrators so far killed in the steadily intensifying violence turned against the strikers, with the red banners of the UFW pickets suddenly giving way to a sea of black, and a protest song making its all too plangent plea in English while for the rest of the time the songs used have been in the strikers' native language. The tactics of the boycott are only cursorily discussed, and here and elsewhere *one would have welcomed* more detail on just how this impoverished, heterogeneous sector of the populace funded and maintained their action through *so many months.* The emotional effectiveness of *Fighting for our Lives* is undeniable, however; in a remarkable way, it makes both a political appeal and a convincing *case without* the two becoming mutually contradictory.

★

Labour confronts big business again in *White Line Fever,* though the contest this time has less to do with any recognisable human drama than with a current movie vogue for reproducing the instant mythology and zip-bang action of comic strips. The hero is a kind of Superboy figure (played by fresh-faced Jan-Michael Vincent), recently discharged from the armed forces, who takes on *a new wife and a new job in the* form of a trucking concern once operated by his father. Things have changed on the road, however, and he soon finds himself standing alone against the graft and corruption of the big trucking magnates, and somehow becoming a messiah to all the other down-trodden small operators.

Not only does the macadam road to martyrdom prove a hard one, but the hero's home life is also fraught with problems, and *there are occasional hints* that his outsize crusader complex doesn't make him the easiest person to live with. *Such* stray gestures at complexity are quickly buried, however, in the film's blanket approval for his violent dexterity in handling either shotgun or his massive set of wheels in a tight corner. Given its subject, *White Line Fever* has less trouble than other recent action movies in scrapping up excuses for regular bounts of car-bashing. In fact, it squeezes so many of these confrontations into its eighty-nine-minute running time that at one point the story continuity is completely scrambled, and one waits with more curiosity to see if the missing link will turn up in the form of a misplaced *reel than to learn what effect all* this vehicular violence will have on the automatons who populate the film.

In more quaintly old-fashioned, but no less *determinedly* thick-ear fashion, Jean-Paul Belmondo displays his renowned skills as a stuntman in *Night Caller.* There are no problems with lacunae in the plot here because there is no plot to speak of, just two unrelated villains for Belmondo to chase up and down Paris. One is a figure from his past, the arch-enemy who was once responsible for his demotion when a passer-by was killed in a shoot-out; the other is an arch-psychopath, a self-appointed *moral crusader given to* pestering (or strangling) ladies of loose virtue to death. The film's one nugget of character motivation is the suggestion that Belmondo's obsession with the former hampers his pursuit of the latter. But even this is ironed out in the running, jumping and leaping-over-rooftops action, since the writers were evidently afraid that a plot with two strands would be too complicated for audiences to follow and have allowed Belmondo to dispose of one villain long before he need *grapple with the second. The* various chases collide mindlessly together, and as a director of this kind of slick nonsense Henri Verneuil emerges a rung or two below Michael Winner.

Leonard Burt

...een Atkins and Judy Parfitt in Noël Coward's 'Fallen Angels,' revived last night at the Greenwich Theatre

Spanish painting at the Royal Academy

...e exhibition of the Golden ... of Spanish painting, in the ...l Academy's Main Galleries, ... consist of 85 paintings ...n entirely from public and ...te collections in Spain (in...ng the *Prado) from* the ...d 1550-1650. There will be ...rtant examples of the work ...l the major Spanish artists ...he period, including seven ...tings by El Greco, six by ...squez, seven by Zurbaran, six by Murillo.

...e exhibition, which opens on ...ary 10, has been organised ...selected by the director of ...Prado in Madrid, Professor ...er de Salas. The Academy ...be taking the unusual step ...pening for 12 hours a day, ...n.-9 p.m. on Tuesdays to Fridays, and 9 a.m.-6 p.m. on Saturdays, Sundays and Mondays, in order to accommodate as many people as possible.

Repertory at the Albery

Eddie Kulukundis is to present the Prospect Theatre Company in two comedies in a repertory season at the Albery Theatre, starting in the week of November 17.

The plays are the Chichester Festival Theatre production of Turgenev's *A Month in the Country* and Richard Cottrell's adaptation of E. M. Forster's novel *A Room with a View* which will be having its London premiere.

Vaudeville

Double Edge

by B. A. YOUNG

Henry Monk, the Home Secretary, Professor Helen Galt and Tony Price, leader of a Trotskyist party, spend an eventful evening in Professor Galt's fourth-floor apartment (sic) at Dorset College, Oxford, discussing an attempted assassination of the Prime Minister on election night. The assassination, for which Price has been arrested but freed for lack of evidence, was a failure as far as the Prime Minister was concerned, but the fatal shot killed the Home Secretary's wife.

Since the development of the play relies on the revelation of one alarming fact after another, I don't know how far I should allow myself to describe it. I think I may go so far as to say that the three agree among themselves that Mrs. Monk's death was not an accident but the object of the affair, and that there are reasons advanced to throw suspicion on each of them. But who, in fact, done it, and how the knowledge is arrived at, and what consequences follow in this academic *huis clos,* are matters I may not disclose without spoiling whatever enjoyment future audiences may extract from the evening.

If their belief is as hard to suspend as mine, this may not be much, for I found the set-up artificial and the subsequent filtering in of new information unsubtle. *One is left only with the pleasure* to be obtained from watching Margaret Lockwood, Barrie Ingham and Paul Daneman going through their improbable routines, Miss Lockwood and Mr. Daneman in the manner of inexpert counsel (I kept expecting one of them to say something like "In my humble submission"), and Mr. Ingham in the manner of a circus clown.

On the credit side I can report that some of the developments are genuinely unexpected, but there seemed to be some holes in the narrative. To detail them might accidentally spring the plot, so customers must have the fun of deducing them for themselves.

Leslie Darbon and Peter Whelan are the authors of this puzzler; Anthony Sharp is the director; and Anthony Holland has designed the Professor's book-lined sitting-room, a chamber that many an Oxford don may envy.

Festival Hall

Das klagende Lied

by DOMINIC GILL

Das klagende Lied is Mahler's first major work, a dramatic cantata in three parts scored for full orchestra, soloists and choir, first conceived during the early months of 1878, and completed finally in the autumn of 1880, when the composer was just 20 years old.

But the cantata is no mere student essay, nor even a *brilliant teenager's tour de force:* it is an astonishingly mature, original masterpiece in its own right, already fully-formed, and pregnant in almost every measure with the seeds of great scores to come. Even Mahler himself was surprised when he came to revise the music 13 years later—finding it "already entirely original, although a little inflated and overloaded . . . I see that the only progress I have made since then is technical. But for the essentials, all the 'Mahler' whom you know was revealed at one stroke. What surprises me most is that even in the instrumentation, nothing has to be altered, it is so characteristic and new . . ."

Das klagende Lied still strikes the ear to-day with marvellous freshness. All Mahler is there, distilled in essence: the Mahlerian imagination, the language, the extraordinary transparency (in spite of the greatest complexity) of instrumental texture—the anguish, the sentiment, fiery passion and enchantment. Hugh Wood, in a long and compelling programme-note, places it perfectly:

With hindsight we hear in it already the apocalyptic Mahler of the second symphony. But without hindsight—in the context of 1880—it is inexplicably original. Wagner was still alive, and Brahms in full flood: but the influence of both these giant figures is subsidiary, almost by-passed, in fact, in favour of an extraordinarily fresh and independent empirical diatonicism. Little wonder the ageing Liszt's lack of response to the score, for it was not even "the way music was going" then: it is more truly original than early Debussy: and it came from nowhere.

All the more remarkable that the *Lied* should have been so *neglected.* After a tangled history of revisions and excisions, culminating eventually in the suppression by Mahler of the whole of the first part, it was performed complete and uncut for the first time in 1935 in Vienna, and for the second time complete only in America five years ago (*even Mahler's revised* version, comprising only the second and third parts, had to wait until 1956 for its British premiere).

The complete performance of *Das klagende Lied* given on Wednesday by the BBC Symphony Orchestra, Singers and Chorus under Pierre Boulez (and also broadcast live on Radio 3) was thus a milestone of a kind, as well as a musical triumph. No matter the question of authenticity: the first-part controversy is essentially unresolvable. The special qualities of Mahler's *Waldmärchen* may be heard in context equally as virtues or failings, its static unfolding as unnecessary and prolix preface, or as perfect dramatic preparation, for the heaven-storming final movements.

As a performance it proved convincing entirely. Singers and orchestra alike responded to Boulez at his keenest, most precise and resilient. And how good, at the very least, to hear for the first time this strange and magical movement in its proper place! — to hear its beautifully varied treatment of refrains so powerfully echoed after; to wait with real epic sense for its unfolding layer by layer; to feel the proper weight of suspense in its terrible final chord. The BBC Orchestra rose to their first, second and final climaxes with impressive unanimity and fervour. A dependable solo cast was headed by Yvonne Minton, with Karin Ott, Stuart Burrows and Marius Rintzler.

Bedford Gallery

Christopher Catlin

by VICTOR CLARK

"Four years in the London Rescue Corps during the Blitz turned me agnostic—that is a coward's atheist. I lost a lot of my paintings too."

Whatever else was lost Christopher Catlin, born 1902, *did not lose his lifelong obsession* to paint. For 40 years he drove a London cab, but "can't remember a time when I was not preoccupied with brush, pencil and chalk."

The results of his preoccupation are on view at the Bedford Gallery, Kensington Church Street.

His cab served as an observation platform from which he viewed the life of the streets with an unblinking but never less than compassionate eye.

In pastel, oil and tempera he has reported the ordinariness, the drabness of street markets, groups of shoppers, women queuing, tarts, people just waiting for a bargain, a bus or a sign from God, all apparently enveloped in a perpetual winter of Catlin's choice. Red noses proliferate. His women, hunch-shouldered inside unfashionable *overcoats, wear their clumsy* hats with dignity while children wait patiently, their protruding ears rouged by east winds from Whitechapel or Bermondsey.

If it all sounds too solemn or sentimental, I assure you it isn't. Catlin's urban peasants echo Van Gogh and Breughel. He has transformed the sheer boredom of everyday situations into a series of rich and vibrant cameos.

His *style* is unclassifiable. Catlin is very much his own painter, a one-off. What is unquestionable is his assured handling of rich or subtle colour, a fine *sense of composition* and an incisive line which only rarely nudges into caricature.

A one-man exhibition at the age of 73 is remarkable enough *but it has been achieved without* formal training, although the one-time Daily Herald did introduce him to Sir Frank Brangwyn, whose *encouragement and friendship he valued.*

In contrast to the street scenes and portraits, the watercolours of flowers, often two or three anemones in a simple vase, possess almost oriental restraint, demonstrate his confidence in that medium too.

They are beautiful little pictures, the models for which were mostly, "the peace offerings which my father brought my mother on Saturday nights." There are also some imaginative landscapes which are among his best work.

As Catlin explained. "Round about 1916 my father—who was mostly out of work—had a lucky win. He backed the winner of the Lincoln, a horse called Furious, *at 33 to 1, and bought* me by first box of paints from the proceeds." What a jolly good job he did. Catlin put it to brilliant use. The exhibition closes *mid*-November.

Victoria Palace

Mike Yarwood

by ANTONY THORNCROFT

If anyone is asking themselves "What has happened to variety?" (silly question) now that the Palladium has gone all limp and cosy, with *Peter Pan* appropriately following on from Tommy Steele, a quick sortie down to the Victoria Palace will resolve all their best hopes and worst fears. Mike Yarwood, the TV personality par excellence, is the traditional showpiece in a production called, for no apparent reason, *The Time of Your Life.*

Here we see, looking quite extant, showgirls with legs all the way up to their sequins; an old-fashioned soprano, like Lyn Kennington, vibrato-ing like mad about "love" with a capital L; and a conjuror, like Johnny Hart, materialising budgies from his fingers for starters before *moving up the animal king*dom to mind-blowing illusions with dogs.

There is also a touch of culture from the Black Theatre Group of Prague, prancing in the dark, and Syd Francis tries to be funny with a trumpet. But really the first half of the show, pleasant enough in its escapist glamour, is just an opportunity for Mike Yarwood to flex his face muscles before indulging in mass schizophrenia.

The show is very much a Mike Yarwood marathon (which means he goes on a mite too long). He scores many more hits—Frost, Patrick Moore, Dodd, Forsythe, Morecambe, than misses—Ted Heath and Telly Savalas, although his obsession with Harold Wilson slows down the action. But the acuteness of his observation, helped along by the well loved jokes, saw *The Time of Your Life* home to a happy climax. Anyone who admires Mike Yarwood will *enjoy this* show, and any masochist harking back to the entertainment of the fifties will also get a pleasant kick in the nostalgia.

New York theatre

The many sides of Papp

by GEORGE OPPENHEIMER

"A Chorus Line." Joseph Papp's smash hit musical, has now had its official opening night, having moved from off-Broadway to on and having been interrupted in its run by the *musicians' strike.* With the settlement of that unfortunate episode, the show finally opened with one of the most exciting and enthusiastic evenings in *many months. In its new home* at the Shubert Theatre, it seems even better than it did downtown at the Public.

However, all is not roses for *the prolific Papp. The day after* his triumphant opening, he announced that his plans to produce five new American plays at the Booth Theatre had fallen *through.* He blamed this on economic conditions, but there are those who also believe that the plays did not work out. At least two of them have been scrapped, while two others will be produced either at his Public Theatre or at the Newhouse in Lincoln Center.

The fifth play opened at the Booth and was almost immediately closed. It was "The Leaf People" by Dennis J. Reardon and if it was any indication of Papp's future plans, it is well that the Booth project was *abandoned.*

"The Leaf People" dealt with the impact of Whites on a hitherto undiscovered tribe of Indians in the rain forest of the *Amazon. To complicate matters,* Reardon invented a language called Leafish and placed two translators in glass booths high above the stage to interpret. The result was partial pandemonium, heightened by the excessive and extravagant direction of Tom O'Horgan, who cares far more for theatrical effect than he does for dramatic content. The result was, to say the least, barely bearable.

Papp also started his season at Lincoln Center with Sir Arthur Wing Pinero's "Trelawny of the Wells." Five years ago he presented an excellent revival of this play off-Broadway. This time its excellence had been largely diluted by director A. J. Antoon, who staged the proceedings more in the manner of a farce than a bittersweet comedy.

Sometimes ignorance is bliss. I knew little of the music of Scott Joplin (1868-1917) who has been hailed as a ragtime king. As a result I came to his opera "Treemonisha," which is being presented in a Broadway theatre, with little *knowledge* and no bias. Several of my confrères have downgraded it as not being Joplin at his musical best.

On the contrary, I found it filled with lovely music, less ragtime than reminiscent of Puccini's "La Bohème" or Massenet's "Manon." It is not grand opera by any means, although Frank Corsaro sometimes directs it as though it were, but a sort of musical fairy tale with a large cast of 44 and some spectacular effects.

It tells a childlike tale of a *young black woman who pits* herself against superstition and backwardness. As a consequence she is kidnapped by a "conjur" man and his villainous aides and is about to be thrown into a huge wasps' nest when her boyfriend comes to her rescue. She is then returned to her people and, because of her bravery and learning, is made their leader.

There is no dialogue, only occasional recitatives and a generous amount of dancing, choreographed in fine and rousing syle by Louis Johnson. The role of Treemonisha is acted and sung by Carmen Balthrop and she, together with Betty Allen, Curtis Ryam, Willard White and the singing and dancing chorus make "Treemonisha" into an altogether joyful occasion.

Finally there is "Yentl," adapted from a short story by Isaac Bashevis Singer and dramatised by Leah Napolin and the author. Here again is a childlike tale, only *this time too* naive for credence. We are asked to believe that a girl disguised as a boy could marry another girl and not be exposed for several weeks. Had "Yentl" been put to music, it would have gained considerably. As it is, we have a Jewish folk tale with occasional background music.

Except for the acting of Tovah Feldshuh in the character of Yentl, a studious young Jewish woman who disguises herself as a man in order to be admitted into the company of Hebrew scholars, I found little to hold my interest. Miss Feldshuh is an enchanting actress and does much with her difficult role, making it almost believable at times. Good too are John V. Shea and Lynn Ann Leveridge in the other two principal parts, the man Yentl loves but to whom she cannot reveal her sex and the girl she marries.

I'm afraid that, for me, "Yentl" was neither dramatic nor comic. It fell between two "shuls."

Book Reviews appear on Page 14

WORLD TRADE NEWS

Indian textile plants must export 20% of output

BY K. K. SHARMA

NEW DELHI, Nov. 6.

THE INDIAN Government has directed the textile industry to take on the responsibility of exporting 20 per cent. of its production. The figure may subsequently be raised to 25 per cent., since the obligation is not considered high in comparison with other textile producing countries. Pakistan, for instance, exports 60 per cent. of its textile output, Hong Kong 51 per cent. and Korea 30 per cent.

To achieve this target the Government has asked the industry to evolve "self correcting mechanism" for adjusting selling prices in international markets by taking into account the attractive prices available to it on more than 50 per cent. of its production for the domestic market. The industry has been told it should not depend only on cash assistance from the Government for its exports.

The extent of the Government's dissatisfaction with the textile industry's performance, both in the matter of making cloth available to the domestic market at reasonable prices and its poor export effort, has been conveyed forecfully to its Association. The industry is the largest in India and hence has a pivotal role in the matter of supplementing foreign exchange earnings of the country.

The Government directive says "this is evident from the fact that despite its size and capacity the industry, on average, exported between 8 and 12 per cent. of total production, which by no norms can be considered a significant export performance for an industry of such long standing."

Exports of mill-made textiles, which reached a record R2.86bn. (£157m.) in 1974-75, have been on a downward trend since the second half of 1974. The gap in prices offered by Indian exporters and the international price is said to be the main cause for the downward trend.

Iran aid

Iran has decided to give India a loan of $630m. to develop the iron ore pelletisation plant at Kudremukh. An agreement to that effect has been signed.

India is also to be supplied from Iran with 2m. tonnes of crude oil at preferential terms—which have not been disclosed but which will be based on another Iranian credit.

The Kudremukh project will start production within four years, and will be a captive plant for Iran's exclusive use over a 20-year period.

A joint communique issued in Tehran at the close of a visit there by Mr. Y. D. Chavan, India's External Affairs Minister, spoke of the "close similarity of views" on bilateral regional and international issues. The two-sides reaffirmed the "idea of converting the Indian ocean into a zone of peace."

The Iranian Foreign Minister stressed the importance of the security of the Indian Ocean and the Gulf, as also the vital importance of the sea lanes in the region.

Pipeline service

Oil India, in which the Government and Burmah Oil have an equal share, and Engineering Project India have signed an agreement on collaboration in the matter of pipeline designing and detailed engineering, both at home and abroad. A major effort will be made to obtain contracts in the Middle East and the Gulf countries.

The agreement is a step forward in the direction of pooling all available indigenous expertise on pipeline designing and engineering with the object eventually of undertaking turnkey pipeline projects in India and abroad.

Oil India has qualified for offering its consultancy services to Engineering Projects India because of experience gained in construction of the 1,500 km Naharkatiya - Gauhati - Baramni trunk crude pipeline. It is the longest in India and is claimed to be one of the best in the world.

Warning to N. Zealand on U.K. car imports

By Dai Hayward

WELLINGTON, Nov. 6.

SIR DAVID SCOTT, the retiring British High Commissioner, to-day gave a plain warning to New Zealand not to restrict imports of British cars or face reprisals. Importers of Japanese cars have been pressurising the new government to provide more favourable import conditions for Japanese cars at the expense of Britain.

The British Government, Sir David pointed out, had resisted pressure to restrict Japanese car imports into U.K. To do so would invite reprisals.

"I greatly hope that the New Zealand Government, like mine, will resist these pressures. Britain has strenously supported continued access for New Zealand farm products to Britain, even though much of these could be supplied from Europe.

"We want to continue to buy New Zealand dairy products and lamb because you are traditionally our main supplier and your prices have been very competitive," Sir David declared.

If for any reason New Zealand should impose further drastic restrictions on British imports, he added, "the U.K. Government would undoubtedly be tempted to put less effort into pressing your cause in Europe."

Sir David reminded New Zealand that Britain remained both New Zealand's biggest and most reliable customer.

Unlike other New Zealand customers, Britain had not turned the tap on and off to suit its own domestic market.

Slow time for Swiss watches

By John Wicks

ZURICH, Nov. 6.

THE Federation of Swiss Watch Manufacturers expects no substantial improvement in the watch market as long as there is only a hesitant recovery in the world economy as a whole.

Business in the last 3 months continued to be affected by international recession, with orders being in the form of "very short-term" contracts.

The decline in watch sales has flattened out somewhat, however, and a slight improvement of exports is looked for during November and December.

In the first eight months of 1975, Swiss watch exports were lower in value by 18.9 per cent. than a year earlier at Sw.Frs. 1.63bn. (£300m.), and 28.2 per cent. down in volume at 39.4m. units.

Zambia will gain access to EEC market in 1976

BY OUR OWN CORRESPONDENT

LUSAKA, Nov. 6.

ZAMBIA WILL start having free trading access to the European market next year when the Lomé convention is ratified, Mr. John Scott, the EEC, declared here. He has been in Zambia preparing for a five-day visit starting to-day of a nine-man EEC delegation, led by Mr. Maurice Folèy.

Mr. Scott said the EEC was interested in helping Zambia with rural development, and disclosed that a total of about £2bn. would be given to African countries during the next five years.

The EEC is Zambia's most important trading partner, taking about 49.6 per cent. of her exports and providing 37 per cent. of her imports. In terms of commodities, around 60 per cent. of Zambia's copper production goes to the EEC.

The EEC has donated 5,000 metric tonnes of wheat to Zambia to alleviate shortages caused by the border closure with Rhodesia.

Meanwhile, Canada has loaned Zambia £3m. to help with her acute foreign exchange problems. The loan will be repaid over a period of 50 years with a ten-year period of grace.

Chinese-built plants in Malta will export 60%

By Our Own Correspondent

VALLETTA, Nov. 6.

FACTORIES BEING set up by China in Malta are expected to export more than 60 per cent. of their output. This was stated in Parliament by Mr. Paul Xuereb, a Minister for Trade. He added, without giving details on the total number of Chinese experts sent to help set up the factories, that most Chinese engaged in the projects had now left the island.

Thanking the Chinese for their good work, Mr. Xuereb said projects in production and in the pipeline included decorative glass, chocolate, Rattan goods, carpets, shoes, water fittings, building materials and a textile factory.

All machinery for the projects, except for water fittings and footwear factories, was being imported from China, Mr. Xuereb added.

With the exception of the textiles and building materials projects, all factory construction was completed.

Mr. Xuereb refused to give details of the expenditure incurred on factories built by the Chinese, which are being financed through the £M.17m. loan to Malta. He said the figure would eventually be published by the Treasury.

Nigerian oil output down 19%; revenue by only 4%

LAGOS, Nov. 6.

NIGERIA'S CRUDE oil production in the first quarter of this year declined 18.8 per cent. to 164.8m. barrels, compared with the final quarter of 1974, according to official Nigerian Central Bank figures just issued.

In its quarterly review, the bank said average daily production declined to 1.83m. barrels and followed a level of 2.2m. in the last quarter of 1974.

A conservation policy adopted by the Nigerian government, and the fall in world demand accounted for reduced production, the bank said.

Oil exports for the quarter fell to 159.5m. barrels from 190.1m. the previous quarter, with 26.8 per cent. going to the U.S., the largest importer of Nigerian crude.

Government oil revenues for the three months totalled $1.82bn., a 4.1 per cent. decline from the final quarter of 1974.

AP-DJ

Pakistan-China barter pact

By Iqbal Mirza

KARACHI, Nov. 6.

PAKISTAN AND the People's Republic of China have signed a new barter agreement for 1975-76. Pakistan exports to China will include raw cotton, cotton yarn, cotton textiles and sports goods, besides some other items. China will send Pakistan iron and steel products, coal, coke and brickettes, chemicals and several other items.

Trade between Pakistan and China has been growing steadily in recent years, with the balance of trade in favour of China

Pakistan also has a border trade agreement with China which regulates caravan trade between the two countries in the Gilgit area

ISRAELI KFIR JET FOR EXPORT IN 20 MONTHS

By L. Daniel

TEL AVIV, Nov. 6.

Israeli Aircraft Industries hopes to begin production for export of its locally-designed Kfir fighter jet within 20 months, according to Mr. Al Schwimmer, the general manager.

Until now the multi-purpose interceptor has been made exclusively for the Israeli Air Force.

Export price of the Kfir will be 20 per cent. below that of the comparable (although considered "somewhat inferior") French Mirage 5.

IN BRIEF

Bolivian airports

Britain is providing up to £300,000 for airport equipment in Bolivia under an aid agreement. The grant will be used to purchase U.K. navigational equipment to modernise Bolivian airport communications.

Mid-East port delays

Iranian ports are the worst affected by congestion in the Gulf, with waiting times at Khorramshar of up to 120 days. The congestion is caused by the OPEC import boom into ports not equipped to deal with the high volume of cargo. At Basrah delays are up to 75 days, at Damman and Doha 60 days, and 16-21 days at Kuwait and Bahrain. Hansa Shipping, Bremen, says the rise in costs caused by congestion has forced many companies operating on narrow margins to give up services to the Gulf.

U.K. sales to Japan

On November 20 in London at the CBI, 21, Tothill Street, a seminar will be held on medium- and long-term opportunities for U.K. exports of capital goods to Japan. Lord Limerick will be chairman, and Mr. Tadao Kato, Japanese Ambassador in London, will speak at the lunch. Mr. Chikao Tsukuda, director of the Industrial Structure Division of MITI, Tokyo, is flying to London for the seminar and will discuss growth in the capital goods market. A recent Japanese Government forecast said the market for imported manufactured goods would be $57.5bn. by 1985, or 35 per cent. of total imports.

Japan's exports

Japan's certified exports in October totalled $5.35bn., a 6.9 per cent. decline from a year earlier, and the sixth consecutive month when a fall had been recorded on a year-to-year basis. But the total value was the second best in 1975.

India as consultant to Tanzania on new capital of Dodoma

BY K. K. SHARMA

NEW DELHI, Nov. 6.

The National Industrial Development Corporation of India has been appointed consultant to the Capital Development Authority of Tanzania to provide services for that country's new capital at Dodoma. The city has been designed for a population of 1m. and is estimated to cost £219m. A corporation team is in Dodoma undertaking detailed studies on setting up infrastructure facilities for development of the capital. These include a construction machinery pool and maintenance organisation; a materials management organisation; building materials testing laboratory and also an industrial estate for manufacture of builders' hardware and electric products needed for construction purposes.

Export Contracts

BICC POWER CABLES will manufacture power cables, accessories and provide services for Poland's new steelworks Huta Katowice, at a cost of £2m.

HARBORMASTER, Harlow, Essex, will supply marine propulsion units of 75 hp and 100 hp, worth £700,000, for maintenance and reconstruction work on the Suez Canal.

FULMER RESEARCH INSTITUTE has a $140,000 contract to assist and advise in setting up a Metals Advisory Service in Pakistan. The work in Pakistan is part of a global UN Industrial Development Organisation strategy to promote technology transfer from the advanced to the developing nations.

ALLAN W. BERRY, Crieff, Perthshire, will supply a complete small-scale papermaking plant worth £48,000 to India, to be used at Gwalior, Madhya Pradesh.

Contracts abroad

THYSSEN RHEINSTAHL TECHNIK will fit out 25 bulk freighters for the Brazilian merchant navy at a cost of £28.24m.

L. M. ERICCSON TELEPHONE will deliver telephone exchange equipment worth $25m. to the Venezuelan telephone service. The order follows a $23m. contract less than a year ago.

AEG - KANIS TURBINEN FABRIK will build and instal a 50 MW power plant worth £14.12m. in Algeria, for the steel complex at El Hadjar.

CATERPILLAR TRACTOR, Illinois, has sold China $3.8m. worth of pipe laying machinery.

AMPEX CORPORATION will deliver professional videotape recorders and related equipment costing $6.2m. to Indonesia.

AUSTIN-ANDERSON (AUSTRALIA) has started work on a £14m. gold-mining facility in Western Australia for Newmont Mining Corporation.

AMERICAN NEWS

U.S. wholesale prices jump by 1.8%

BY PAUL LEWIS, U.S. EDITOR

WASHINGTON, Nov. 6.

INFLATIONARY pressures are building up again in the U.S. economy, raising an ominous question mark over the strength and duration of the current recovery.

To-day, the Labour Department reported that wholesale prices rose at their fastest rate in a year last month with a jump of 1.8 per cent., partly reflecting a sharp rise in the price of industrial commodities.

The size of the October increase in September was still the Administration by surprise and has certainly caused concern among private economists. It reverses sharply the improving trend of the two previous months when wholesale prices rose by 0.8 per cent. and 0.6 per cent. respectively.

In annual terms, the seasonally adjusted rate of increase has climbed to 13.5 per cent., compared with 11.1 per cent. in September and single figures for the rest of the year—with even quite sharp declines in February and March.

Higher steel and new car prices account for much of the increase in the industrial commodities index, which has been accelerating steadily all year, though the increase seems to have caught well below October's at 0.7 per cent. The rise in farm product prices was lower than in September at 1.7 per cent., but still very different from August's 0.7 per cent. decline.

The October increase in wholesale prices—which must eventually be translated into higher retail prices—will strengthen fears that an upsurge of inflation later this year or early in 1976 may prevent a strengthening in consumption and slow down the overall recovery.

Although real GNP turned up sharply in the third quarter and industrial production has been rising for several months, the path of private consumption remains one of the biggest uncertainties in the American economic picture at the moment—and inflation is likely to have an important influence on it.

Yesterday, Dr. Arthur Burns told the Senate Banking Committee that monetary policy would remain "on a course of moderation" in coming months. But he warned again that the Federal Reserve would be forced to tighten monetary policy later on, as the recovery developed, to guard against inflation.

That day had not come yet, Dr. Burns said, but it was closer than it had been six months ago. In the meantime, the disappointing performance of the wholesale price index in October can only strengthen the band of those resisting any further reflation of the economy in response to European pressure at next week's economic summit.

Rockefeller blames 'squabbles' for not running with Ford

BY DAVID BELL

WASHINGTON, Nov. 6.

VICE - PRESIDENT Nelson Rockefeller to-day blamed "party squabbles" for his decision not to run with President Ford next year and took care not to rule himself finally out as a possible Presidential candidate.

In a half-hour Press conference, Mr. Rockefeller also confirmed that he does not agree with the President on the way to handle the problems of New York. He said that there was an "immediate need" for some kind of legislation to deal with the consequences of a default which would otherwise b "disastrous."

Mr. Rockefeller, in relaxed and sometimes jovial mood, was clearly seeking to put a fair amount of distance between himself and the President and, more particularly, between himself and the Ford campaign staff, whom he blamed for much of the party pressure that led to his decision not to run.

His presence on a future ticket with Mr. Ford, he said, had concerned "those who are responsible for the President's campaign and nomination" and he had thus decided to "take out the issue which was causing all the problems, which was me." These internal squabbles, he added, had been distracting the President and taking his mind off pressing national problems which had to be solved.

Mr. Rockefeller said he did not think the threat to Mr. Ford from Mr. Ronald Reagan, the former California Governor, was too serious and, without enthusiasm, said he would support Mr. Ford next year. However, he conspicuously did not take more than one opportunity to rule himself out should the Ford campaign falter or should Mr. Ford lose one of next year's key Presidential primaries.

Indeed, the Vice-President appeared to be appealing directly to moderate Republicans, the traditional sources of his support.

In marked contrast to President Ford's statement on Monday that Mr. Rockefeller would be campaigning for him, the Vice-President noted that it would be very difficult for him to raise money to campaign for the President under the new Federal campaign finance laws, at least until after the nomination.

Senate blocks Diego Garcia funds

BY DAVID BELL

WASHINGTON, Nov. 6.

THE SENATE to-day voted to block further funds for the expansion of the key Indian Ocean base of Diego Garcia which, although still a British protectorate, has been leased by the U.S. to provide a staging post for its forces in the area.

To-day's vote has the effect of delaying the appropriation of a further $13.8m. at least until next July and is in the form of an amendment to the $3.6bn. Military Construction Appropriation Bill. The amendment is intended to give the U.S. time to try to negotiate a new agreement with the Soviet Union to keep both American and Russian fleets out of the Indian Ocean.

One of the Senate staff most closely involved in getting the amendment passed said this afternoon that if the Russians do not respond then "the onus will be on them and no one can say that we have ot tried to prevent further escalation."

The precise effec of the amendment on the Diego Garcia build-up, which has been the source of considerable criticism here since it was revealed that many of the population had been moved to Mauritius to make way for it, is not clear. The U.S. has already spent some $65m. on the expansion of the base and has a further $14m. in hand from this year's appropriation which is not affected by the amendment.

However, this is the first time that the Senate has taken even a mildly critical attitude to the base despite opposition from Senator Mike Mansfield, the majority leader, Senator Edward Kennedy and others. During to-day's debate Senator Mansfield said: "Do we need another installation there that could get us into another war? Was not one Vietnam enough?"

On the other hand, Senator Barry Goldwater said that the area was "the most strategic point in the whole world" and the ocean lanes had to be kept open. He said that the effect of the amendment was that U.S. naval vessels would have to return to the Philippines to refuel which would cost more than the blocked $13.8m. in fuel bills alone.

SEC probing New York security sales

BY JAY PALMER

NEW YORK, Nov. 6.

NEW YORK City's public sales of its own securities are now being investigated by the Securities and Exchange Commission for possible fraud. Confirming that a very "low-key" inquiry has been started, the SEC stressed that it would not take any immediate action which could hinder the city's battle to avoid debt default.

News of this SEC study coincides with signs that New York's fiscal crisis is having a widening impact. Yesterday New York State Governor Hugh Carey made a desperate plea for emergency Federal Reserve aid of $576m. to prevent the "imminent" collapse of four State agencies.

Although Governor Carey said that the agencies do not have any direct connection with New York City's problems, he did argue that their current inability to borrow in the credit markets was "aggravated" by the President's recent speech calling "for the bankruptcy of New York City."

The SEC is clearly worried that an intense investigation now could exacerbate the crisis. Since the city is not planning to sell any securities to the public in the near future, an official noted, "we are unlikely to file charges until the city either defaults or clearly avoids a default."

The inquiry stems from allegations filed with the agency "by at least one brokerage company and several law companies" that both current and former city officials deliberately made misleading statements about the city's financial condition to help its sales of securities.

New York gamble Page 18

Olympic stadium may not be ready

By Robert Gibbens

MONTREAL, Nov. 6.

BOTH THE Quebec Government and the Olympics Organising Committee (COJO) have now officially admitted the real possibility that the main stadium for the Parc Olympique in east end Montreal will not be completed in time for the opening of the Games on July 17, 1976. Mayor Drapeau refused to comment on the *possibility*.

COJO president Roger Rousseau and Solicitor-General Fernand Lalonde, following special meetings in Quebec City, confirmed that some of the main events may be held in an "uncompleted" stadium, though it was still hoped the $309m. 70,000-seat building would in fact be ready in time.

Their words were carefully chosen to be unspecific, but the implication was that the stadium tower and roof probably will not be completed, though the main structure may be usable. Mr. Lalonde said that COJO had been asked for a list of priorities for the facilities required for the games, so that the construction effort can be concentrated on what is strictly necessary.

Though no official would confirm it, some observers believe that it is possible that the baseball stadium built for Expo 67 may well be earmarked for an Olympics role after all. This is several miles from the main Parc Olympique.

Nearly a week's construction time was lost at the end of October when workers at the stadium walked off the job in protest against a blacklist used by employers and police to keep alleged troublemakers off the site.

TREASURY DENIAL

WASHINGTON, Nov. 6.

THE U.S. Treasury to-day denied European reports that the U.S. was seeking to withdraw from the international gold agreement worked out by finance Ministers and central bankers in Washington last September. The Treasury said that its stance is not changing at all on the agreement, which cleared the way for the 128-nation International Monetary Fund (IMF) to dispose of 25m. ounces of its gold holdings and finance a new trust fund for loans to developing nations.

AP-DJ

CUBA'S ECONOMIC PROGRESS

Castro and the bankers

BY HUGH O'SHAUGHNESSY RECENTLY IN HAVANA

SURELY it was a great public relations coup: from their banqueting tables in the square in front of Havana's beautiful late baroque cathedral, in the presence of Premier Fidel Castro, hundreds of western bankers with a sprinkling of their socialist colleagues cheered to the echo of the midnight cabaret performers and their songs and dances of praise to the Cuban revolution, Ché Guevara, and the impending First Congress of the Cuban Communist Party.

The London clearing banks and the merchant banks, the most respected names from Paris, Rome, Amsterdam, and Zurich, consortium banks, some Arabs, a strong Japanese contingent, central bankers from Britain, Jamaica, Canada, Venezuela, and Algeria, Gosbank from Moscow, the Comecon bankers and a host of others had come to the end of four days of celebrations in honour of the 25th anniversary of the National Bank of Cuba. Its name was picked out in fireworks at the back of the square as the applause swelled. Only Wall Street was absent.

Seven hours before, two score commercial bankers had put their names to a DM350m. (about £66m.) loan agreement for Cuba, the second in the space of a few months. Twenty-four hours before, some of the world's most senior banking figures had been clambering in and out of buses and small aeroplanes, peering at nickel mines, strolling through citrus orchards, watching cattle, and visiting the sacred shrines of the Cuban revolution. For the first time since the 1959 revolution Cuba was being shown off with a degree of pride and satisfaction to Westerners, and the Westerners were reacting with some show of confidence. "If I stood on the corner of Lombard Street and shouted 'Cuba, five years, 1¾ per cent. over LIBOR (London Interbank Offered Rate),' people would come running," one London clearing banker remarked. Others were more cautious, but all agreed that the Cuban economy was looking better than it had for many years.

The immediate reason has been the sharp increase of sugar prices since 1966. Whereas in 1971 Cuba earned pesos 658m. (about £380m.) from sugar, last year, it earned pesos 1,922m. or 86.4 per cent. of total export revenues. Cuba last year had a tiny, but significant trade surplus of pesos 14m.

This year, to the end of September, exports were 44 per cent. higher than in the same period of last year, but imports have grown slightly faster. The trade account, according to President Osvaldo Dorticos, is pesos 295m. in the black, but this figure is likely to shrink to virtually nothing by the end of the year as Cuban exports are heavily concentrated in the first three quarters of the year when the sugar crop goes abroad.

A more deep seated reason for the better complexion of the economy is the fact that it is slowly being better organised. After the failure of Premier Castro's big push in 1970 to get 10m. tonnes of sugar harvested—the figure achieved was no more than 5.9m. tonnes — Soviet planners pressed their assistance on the Cubans and the economy began to be more rationally guided.

Cuba was in 1972 given an exceptionally liberal payments agreement with the Soviet Union which allows the island to pay off the bulk of its very large though undisclosed debt to Moscow over 25 years from 1986. Cuba has been a full member of Comecon for two years. It is difficult to see how Cuba would be allowed to get into the sort of severe foreign exchange difficulty which, for instance, Kim il Sung's régime in North Korea is currently facing and which none of his Communist colleagues, either in Comecon or in the Chinese Government, has seen fit to help him with.

The pick-up in Cuba's fortunes, taken with the plans Cuba *has* to spend between pesos 12bn.-15bn. in the 1976-80 five-year plan, about a third of it on industrialisation projects, and the intention to borrow from the Western world to do so, goes a long way to explain the bankers' enthusiasm last week in Cathedral Square. A few days earlier President Dorticos had gone out of his way to emphasise that Cuba would never borrow more than it could afford, or become so reliant on foreign loans as to run the risk of seeing its plans aborted for lack of them.

Recalling the iron discipline which has had to be adopted in recent years to allow Cuba to meet its commitments promptly, President Dorticos stressed that meeting foreign obligations was "an inviolable principle of our policy."

> "If I stood on the corner of Lombard Street and shouted 'Cuba, five years, 1¾ per cent. over LIBOR,' people would come running"
> —London banker.

But having said that the Cuban economy is a very great deal stronger than it once was, one must add, as indeed the Cuban President did add in his speech to his banker guests, that the future still is full of problems. So far this year, President Dorticos said, the economy had grown at an annual rate of 9 per cent., construction far outstripping the rest of the field with a 17 per cent. rate, and the farm sector, hit by continuing drought, growing at no more than 3 per cent.

It was time to put a bit of a damper on the economy as the spare capacities which had made possible the recent growth were running out. At the same time the outlook for the world economy and the increasing cost of the imported goods needed to make the five-year plan a reality were both unfavourable. There was, he said, a gap between Cuba's "just aspirations" and "what financial prudence counsels."

What Dr. Dorticos could have gone on to explain was that despite all the island's big diversification plan, for two new nickel plants, for greater fish production, for more tobacco output, tourism, and so forth, the economy was still tied to sugar which provides three-quarters or four-fifths of all export revenue. Were the selling strategy of Cuban sugar traders to falter—and there are reports in Havana that Japan will not be taking as much Cuban sugar in the future as it did in the recent past—or were the world market to retreat from present price levels themselves only a fraction of what they were a year ago, the economy would again be in trouble and would need outside assistance.

Meanwhile, the Cubans are attempting to steer a moderate path between excessive optimism and despondency, trusting in their friends abroad, a reasonable sugar price, and increasingly hard work and better productivity. A big education drive has been launched to teach them new skills.

As Cuba strengthens its links with Europe and Canada, backing up its already strong trade links with the Soviet camp and China, the refusal of the U.S. to trade with the island seems to be hurting the U.S. traders who lose orders at least as much as it hurts the Cubans.

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THE LEBANON CRISIS

Uncertain outlook for stability

BY ALAIN CASS — BEIRUT, Nov. 6.

[A]FTER 11 false starts, the 12th [c]easefire laboriously negotiated [b]y Mr. Rashid Karami, the [L]ebanese Prime Minister, [a]ppears to be taking effect.

At any rate, much, though not [al]l, of the shooting has stopped, [th]e bombing reduced to a [m]anageable level and most of [th]e private armies withdrawn [fr]om the streets of central [B]eirut.

At the same time, in what is [re]garded as a significant gesture [of] confidence, the banking com[m]unity has been persuaded to go [b]ack to work for the first time [in] over two weeks, even though [th]e situation overall remains [te]nse and uncertain.

On a political level, too, there [ar]e one or two encouraging [si]gns. The feudal overlords of [L]ebanon's confessional com[m]unities who make up the [G]overnment, are at least talking [fa]ce-to-face. They are publicly [en]tertaining the possibility of [so]me measures of compromise [ov]er the issues which divide [th]em, though demands for [pa]rtition by the extreme Right [ha]ng ominously in the air.

Throughout this latest round [of] fighting, the Lebanon has, [m]ore than at any other time [si]nce the crisis began in April, [b]een seen to be without any [ef]fective government. Thus the [fa]ct that the Cabinet is at least [ta]lking must be a sign of hope. Equally hopeful is the fact that [th]e extremists are talking.

The central question which [ar]ises now and which is difficult [to] answer with precision, is [wh]ether the lull in the fighting [si]gnals a fundamental change in [th]e position of the adversaries or [is] merely a tactical pause tacitly [ag]reed upon to give time to [re]stock and regroup after a [ba]ttle of intense ferocity.

However, it is possible to draw [so]me interim conclusions about [wh]ere the Lebanon is likely to [go] from here.

The first thing that becomes apparent in the political situation to-day is that the expectations of the extreme Left and the fears of the Right have not materialised. The Lebanon is not, and probably never has been, the object of widespread or effective revolutionary attack. If there were atempts at any stage entirely to radicalise the situation they failed.

The majority of the Left, though radical by Lebanese standards, has shown itself more eager to reach one of those typically Lebanese compromises, involving a fairer distribution of power along confessional lines and equality of opportunity, than to take the Lebanon into the realms of revolutionary socialism.

The political programme of most of the Left, examined closely, is not far removed from that of the social democracies of Western Europe.

There are sound reasons for this. The Left, as represented by its patriarch, Mr. Kamal Jumblatt, is aware that the Lebanon's strength (politically, as a meeting place for a highly diversified Arab world and economically as a base for foreign interests) lies in its relatively freewheeling nature.

"We cannot exchange capitalism for oil because we haven't got any," said one socialist.

Other than its depth of entrepreneural expertise and its advanced infrastructure, the Lebanon has little else to live on. It lives on its wits, so outright Socialism would be both unrealistic and suicidal.

It is also doubtful whether the Left is willing to take power. After its significant territorial gains in the fighting and its theoretical military superiority it could have brought down the Government.

It is also significant that the Phalangists say they are willing to explore possible areas of compromise. Their reasoning may be equally tactical and it probably is, but it also appears to reflect a growing awareness that the Lebanon, where power is constitutionally vested in what is now a Christian minority, can no longer be run, as one observer put it, as a private club.

But possibly the deciding factor which pulled the situation back from an even worse disaster is the fact that the outside forces which influence the situation, either directly or indirectly, decided to call a halt before the conflict spread across Lebanon's borders.

Had the situation deteriorated further, the likelihood of an intervention by Syrian troops to protect the Moslem population would have significantly increased. This would probably have provoked the Israelis to move into southern Lebanon up to the Litani River to give the Jewish State more defensible frontiers against this new threat. At that point a fifth Arab-Israeli war would have become a near certainty.

The crisis in Lebanon has a multiplicity of paymasters. Virtually every Arab Government has an axe to grind here, either for itself or on behalf of more powerful interests.

Chief among those whose interests lie in keeping a firm hold on events in Lebanon is Syria. Given the presence in the Lebanon of the bulk of the Palestinian movement and its leadership, the Syrians have tried hard to make their presence felt and have clearly been successful, since the guerillas have shown remarkable restraint in the crisis—intervening only covertly and doing everything possible to appear both moderate and conciliatory.

The Syrian aim appears to be two-fold. First, by controlling events in the Lebanon, which it has partly done through the Ba'athist Saiqa guerilla group, it can, if it so wishes, maintain a level of tension high enough to draw the thunder of the Egyptian President, Mr. Sadat, and undermine the recent Sinai agreement between Egypt and Israel, which it has bitterly opposed.

Syria cannot go too far in this direction, however, since, at the outer perimeters of its Middle East policy, its interests and those of Egypt and the U.S. are not so very far apart.

But the feeling persists that for the right price, President Assad might be willing to negotiate on the Golan.

The problem is what to do about the Palestinians, whose colours the Syrians have now firmly pinned to their mast.

The PLO must be kept firmly in line so that, when and if negotiations start, they do not protest too loudly.

This is a game which does not entirely displease the Right wing in Lebanon, which holds it up as proof that all the problems stem from the presence of the guerillas.

But in as much as they have tried to do something about it by, among other things, trying to draw the Lebanese Army and the Palestinians into open conflict, they have failed and paid a high price for it.

The Palestinian presence in the Lebanon is clearly an issue which must be resolved. The answer to the question of whether the ceasefire will last long enough for a peace to be negotiated, depends as much as anything on whether attitudes have changed sufficiently to permit a fundamental re-examination of the Lebanese formula.

Without that, the situation will almost certainly break down again and the country's hopes of stability remain, at best, uncertain.

Karami threat to resign

Lebanese Premier Rashid Karami yesterday hinted he would resign unless army units stopped a ship from unloading arms in a Christian area north of Beirut. Mr. Karami, a Sunni Moslem, told reporters after a meeting with President Suleiman Franjieh that a ship was unloading arms in sight of army units near the town of Jounieh, about 12 miles north of Beirut.

The Premier added: "The army is surrounding the ship, but is unable to fulfil its duties for reasons unknown to me. In the light of this, I shall have an attitude to announce."

Observers saw this as an implicit threat by the Premier to resign unless the army prevented the ship from landing the arms.—Reuter.

Chief Justice sworn in as Bangladesh president

DACCA, Nov. 6.

[CH]IEF JUSTICE Abu Sadat [Mo]hammad Sayem was sworn in [to]day as President of Bangladesh [at] a brief ceremony at the [pr]esidential palace.

A senior judge of the Bangla[de]sh Supreme Court administered [th]e oath of office and secrecy in [th]e presence of senior civil [ser]vants, military officers and [dip]lomats.

President Mohammad Sayem, [who] assumed office following a [pr]oclamation last night that [for]mer President Khondker [Mu]shtaque Ahmed had agreed to [vac]ate the presidency, Radio [Ba]ngladesh also reported this [mo]rning that Vice-President [Mo]hammad Ullah had resigned.

President Sayem is largely un[kn]own outside judicial circles [an]d has taken no previous part [in] politics.

Born in 1916, he was educated [in] Calcutta and began his legal [car]eer there. He joined the [Da]cca high court bar in 1947 in [wh]ich was then East Pakistan, and held a succession of legal posts before becoming Chief Justice of the Bangladesh Supreme Court in December, 1972.

He was in India when the August 15 coup took place and Sheikh Mujib was assassinated.

President Mushtaque Ahmed's resignation came after reports that several prominent leaders of the 1971 Bangladesh freedom movement had been killed in Dacca's central jail on Monday, including former minister A. H. M. Kamaruzzaman.

A commission headed by a Supreme Court judge has been set up to investigate the reported killings and also how a number of army officers prominent in the August coup were allowed to leave Dacca after Monday's events and fly to Bangkok.

Life appeared to be returning to normal following a three-day power struggle between rival army groups.

But there was no word on the fate of former President Mushtaque Ahmed, who took over in August when the country's founding president, Sheikh Mujibur Rahman, was killed in a coup led by a group of majors.

There was no further word on the 10-man revolutionary council —announced yesterday by Radio Bangladesh—expected to rule in place of the civilian Cabinet. But senior army officers who moved on Monday against the majors to start the power struggle were expected to dominate the council, which was thought likely to have only three civilian members.

Telephone lines out of Dacca were again reported open.

Domestic air services were due to resume this afternoon and the international airline, Bangladesh Biman, was scheduled to re-start flights from mid-day. Shops were open in the capital to-day and the city was reported to be quiet.

In Bangkok, an American Embassy spokesman said the Bangladesh army officers and their families who flew here after Monday's upheaval in Dacca have sought asylum in the U.S.

Reuter

Benguela and Lobito reported fallen to FNLA-Unita

BY BRIDGET BLOOM — LUANDA, Nov. 6.

ALTHOUGH there is still no official confirmation, reports reaching here suggest that Benguela, the key railhead town some 400 miles south of here, has fallen to combined FNLA and Unita troops.

It is believed that the town fell on Monday night to the force, led by white mercanaries, which captured Mocamedes, the most southerly port, a week ago.

There are rumours here that Lobito, Angola's most important port, which is only some 15 miles from Benguela, has also fallen, but since communications with the area are not working and there has apparently not even been communications over ships' radio, it is impossible from here to be sure of the fate of the port.

There can be no doubt of the strategic importance of both towns, however, if the FNLA-Unita combined forces have taken them. They will then command virtually the whole of southern Luanda and would have, in Lobito, a town and port complex which is second only to the capital, Luanda.

For this reason, however, it is thought that the MPLA, which now controls Luanda and much of central Angola, will not abandon the towns without a tough fight.

Here in Luanda, the MPLA is preparing for independence next Tuesday. Delegates from the Soviet Union, China and the OAU, together with leaders of African and Latin American and Asian liberation movements have been invited to attend, as has the leader of the Portuguese Communist Party, Dr. Alavaro Cunhal, M. Jean Paul Satre, and the English writer Basil Davidson.

It is not yet clear how many of the invited guests will actually come to Luanda.

Indian Supreme Court to rule on Gandhi convictions

NEW DELHI, Nov. 6.

[TH]E INDIAN Supreme Court [wi]ll deliver judgments to-morrow [on] the argument surrounding [ch]anges in election law and [Pr]ime Minister Indira Gandhi's [co]nvictions under the earlier law.

Court business for to-morrow, [po]sted here to-day, lists five [se]parate judgments from the [be]nch that heard arguments in [th]e case.

It was not immediately clear [wh]ether the court would give [ju]dgments on Mrs. Gandhi's [ap]peal against her convictions, or [on] a challenge to amendments to [th]e law which were passed later, [or] both.

Mrs. Gandhi was found guilty [on] June 12 in the Allahabad [Hi]gh Court on two counts of [ele]ctoral malpractice. The judg[m]ent disqualified her from office [fo]r six years. But the Allahabad [co]urt, and later the Supreme [Co]urt, granted a stay for her appeal.

The country was placed on [em]ergency footing on June 26, [wi]th the arrest of opposition [lea]ders and workers, and an [em]ergency session of Parliament [lat]er passed amendments to the [ele]ction laws and the constitu[tio]n. Several of the amendments [dir]ected affected Mrs. Gandhi's [ca]se.

Counsel for jailed Socialist [lea]der Raj Narain, who brought [th]e original Allahabad charges [ag]ainst the Prime Minister, then [ch]allenged the amendments in [th]e Supreme Court.

The court, with Chief Justice [A]jit Nath Ray presiding, spent [se]ven weeks listening to argu[me]nts over the amendment by [th]e Government and Mr. Narain's [la]wyers.

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K. K. Sharma writes: A nation[wi]de debate is to take place in [In]dia on the policy of a "mixed [ec]onomy" that has been fol[lo]wed for more than two decades, [wi]th a view to making necessary [fu]ndamental structural changes [to] remove "distortions" that [ha]ve arisen.

This has been decided after a [me]eting of the Planning Commis[sio]n's consultative committee of [Pa]rliament, over which Mrs. [Ga]ndhi presided.

The discussion in the meeting was based on a note prepared by a Congress Member of Parliament, Mr. V. P. Sathe on his proposal for a "national sector" to take the place of the mixed economy.

The national sector would involve conversion of all companies into "national" firms, run jointly by the public agencies that have financed them, the present entrepreneurs and the workers. Mr. Sathe feels such a system, by yielding profits after payment of wages, would eliminate the need for taxation since the Government would get sufficient revenue for both public expenditure and capital for investment.

The results of the prolonged debate will be closely analysed and it is obvious that basic changes in policy will be made as a result.

For the present, Mrs. Gandhi said, the mixed economy would continue and she even defended this as the right "middle path" that avoided both regimentation and free play of private enterprise.

Governor-General moves in Australian crisis

CANBERRA, Nov. 6.

GOVERNOR-GENERAL Sir John Kerr to-day called in Prime Minister Gough Whitlam and opposition leader Malcolm Fraser separately in an attempt to solve Australia's three-week-old political crisis.

The Governor-General also talked with Federal Treasurer Bill Hayden as the Labour government attempted to obtain funds from private commercial banks to overcome the opposition's blockage of budget Bills in the Senate.

As the deadlock continued, Mr. Hayden warned that Australia's staggering economy, with unemployment at over 300,000, would grow worse next year unless the Senate allowed the Bills through.

Mr. Fraser has stopped the passage ow Bills dealing with government financing to force Mr. Whitlam to call a general election following disclosures of secret government attempts to raise as much as U.S.$8bn. through London-based money dealer Tirath Khemlani.

While uproar gripped the House of Representatives when the Government gagged discussion of four opposition motions condemning its refusal to hold a general election and its handling of the economy, Mr. Hayden met the Governor of the Reserve Bank, Mr. Harold Knight, and senior economic Ministers.

Treasury men and officials of the Attorney-General's Department also held meetings with representatives of private banks.

The Government is attempting to arrange credit from the banks to enable it to pay civil servants, the forces and Government suppliers when Treasury funds run out at the end of this month.
RH etaoi shrdl cmfw shr etaoi

Mr. Fraser—whose tactics in trying to force an election have come under increasing attack by voters in recent opinion polls—showed no sign of easing the stalemate.

He attacked the Government's attempt to raise funds outside the budget, accusing the Whitlam administration of trying to nationalise Australian banks.

The Government was relying on a section of the Banking Act instructing private banks in certain circumstances to provide funds for Government, he said.

"What the Government is doing is taking depositors' funds," he declared. "It is another form of nationalising the banks"

Reuter

Malay police budget up

BY WONG SULONG — KUALA LUMPUR, Nov. 6.

THE MALAYSIAN Government to-day announced a big increase in its budget for next year for the expansion of its police force to combat the increasing Communist activities in the country.

Initial expenditure on the police force for 1976 has been put at 460m. ringgits, representing an 18 per cent. increase compared to this year.

However, the Deputy Prime Minister and Finance Minister, Dato Hussein Onn, reminded Parliament that this amount was only an interim increase and that more money would be spent on internal security in the course of next year.

However, expenditure on external defence for next year is being reduced by 6 per cent. to 1,100m. ringgits, reflecting the Malaysian Government's thinking that the main threat to the nation's security will come from local Communist insurgency and subversion, rather than overt external aggression.

Income from new taxes will largely come from higher import duties.

Rhodesian petrol 86p a gallon

BY TONY HAWKINS — SALISBURY, Nov. 6.

RHODESIA TO-DAY announces a 10 per cent. rise in the price of premium petrol, which will now cost 22 cents a litre about 86p a gallon).

This is the third Rhodesian price hike this year, with the premium petrol price having risen five cents (29½ per cent.) so far this year. Diesel fuel will rise 16 per cent. in price to-day, taking its increase so far this year to 26 per cent.

Regular petrol goes up 10½ per cent., taking its rise so far this year to almost 31 per cent.

A government spokesman attributes the increases to higher procurement costs. Rhodesia has had petrol rationing since February, 1974. Today's price increases follow the 10 per cent. OPEC oil price rise on October 1 and the 8 per cent. devaluation of the Rhodesian dollar against the U.S. dollar in September.

Rhodesia has also tightened control on export of currency.

Anti-apartheid poet for trial as Communist

PRETORIA, Nov. 6.

ANTI-APARTHEID poet Breyten Breytenbach, detained after returning secretly from exile 10 weeks ago, will go on trial in Pretoria's Supreme Court next Monday on charges under the Suppression of Communism Act, is was announced to-day.

Dr. Percy Yutar, Attorney-General of the Transvaal, said the charges against Mr. Breytenbach would be drawn up to-day or to-morrow.

Mr. Breytenbach, 36, is one of South Africa's leading Afrikaans poets. He had been living in Paris with his Vietnamese-born wife, Yolande.

The Justice Ministry has said he was arrested after entering the country under the name of "Christiaan Galaska" and claiming to be French.

His detention coincided with a series of police raids in which at least 13 people were detained, many of them former student leaders. It is not known if any of these will stand trial with Mr. Breytenbach.

The Tokyo Stock Exchange said it has raised margin requirements for Kao Soap to 50 per cent., including 30 per cent. in cash from 30 per cent. including 10 per cent. in cash with immediate effect. The step was taken to curb speculative activities which have recently boosted the stock price, the exchange said.

Reuter

EUROPEAN NEWS

Attacks on Spanish Left-wing

By Roger Matthews

MADRID, Nov. 6.

THE CONDITION of General Franco, Spain's 82-year-old leader, continued grave but virtually unchanged to-day as evidence mounted of a concerted campaign by extreme Right-wingers to raise the political temperature by a series of attacks against Left-wing sympathisers.

After serious clashes yesterday in several universities which left at least 10 students injured and more than 100 arrested, a lawyer's office in the centre of Madrid was stormed by gunmen at lunchtime to-day.

Sr. Jose Manuel Munoz, a lawyer of liberal tendencies, was holding talks with three clients when four to five gunmen armed with sub-machine guns and pistols broke in. They attacked the people in the office, beating them about the head with the butts of their guns and pistols. The interior of the office was almost totally wrecked.

Sr. Munoz and two others were taken to hospital suffering from head wounds and from the effects of a tear-gas bomb thrown into the office by the attackers as they left.

Other prominent "opposition" figures in Madrid, Barcelona and Bilbao have been threatened during the past fortnight, and Left-wing sources claimed to-day that they had evidence of a campaign being mounted against them. The 25 men who raided Zaragoza University and beat up students with iron bars and chains yesterday were later confirmed to be members of the ultra-Right organisation The Guerillas of Christ the King.

The Government met this morning under Prime Minister Carlos Arias Navarro to prepare for to-morrow's full Cabinet to be chaired by the acting Head of State, Prince Juan Carlos. The meeting was dominated by events in the Spanish Sahara but there is also understood to have been a discussion on the law-and-order issue.

Nine far from agreement on oil floor price plan

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, Nov. 6.

THE EEC countries are still far from agreement on whether or not to propose an international "floor price" for oil at next month's world conference on energy and raw materials in Paris. At last night's Council of Ministers meeting here, Britain made little headway with its demand that a specific reference to a floor price, or "minimum safeguard price" as it is now officially known, should be inserted in the Community's mandate for the Paris talks.

Britain is continuing to participate in discussions of a joint EEC mandate for the conference, while awaiting the outcome of its demand for a separate seat. But Mr. Callaghan, the Foreign Secretary, once again made it clear last night that the U.K. would still want a separate seat no matter how closely the EEC mandate reflected British views.

The other EEC countries accept the principle that there must be safeguards to guarantee investments in alternative energy sources. But apart from Denmark and Ireland, they are not yet ready to refer specifically to the floor price proposal at this stage. Nor have there as yet been any discussions of the key question of how high the floor price should be.

Britain is interested in a high floor price to ensure the profitability of the North Sea, but this would penalise other EEC countries who are major oil importers

Diplomats from other countries were to-day puzzled by British claims that all the other EEC countries except France supprted the U.K. line on the floor price. The British claim appeared to be based on the fact that the International Energy Agency has accepted the idea of a floor price. All the Nine except France are IEA members.

Nevertheless, officials attending the Council meeting here said it would be unduly provocative to the oil producers to raise the floor price issue in Paris next month. The Dutch delegation proposed a compromise formula under which the Community would make a general reference to the need to promote and safeguard investments, but this was not acceptable to the U.K.

Germany, Belgium, Italy and Luxembourg all appeared to favour a "neutral" formula along the lines proposed by the Netherlands, as did the Brussels Commission. Officials said France was still strongly opposed to the floor price idea, and the text was finally sent back to experts for further study.

It will now be up to the Rome summit meeting on December 1 and 2 to approve the EEC's position for the conference. The heads of government will also try to solve the problem posed by the U.K.'s insistence on a separate seat. Meanwhile, German officials to-day said Bonn would continue to try to work out a compromise on the seating issue.

Formidable agenda drawn up for EEC summit

BY REGINALD DALE IN BRUSSELS

EEC Ministers have drawn up a formidable array of items for the next Community summit meeting in Rome on December 1 and 2 and more issues could still be added to the list.

At the end of the last Foreign Council before the summit here to-day, Signor Mariano Rumor, the council president, said that major issues for Rome would include preparations for the forthcoming world conference on energy and raw materials in Paris, direct elections to the European parliament, the report by Mr. Leo Tindemans, the Belgian Prime Minister, on European union and plans to introduce a common European passport for EEC citizens.

Ministers agreed to push ahead with plans to negotiate improvements in the Community's free trade agreement with Portugal in the near future, although it seemed unlikely that Lisbon would be offered all the concessions it is asking.

The Irish delegation warned the council that the suspension of trade negotiations with Madrid was actually helping Spain economically as a result of irregular tariff practices by the other two "new" EEC members, Britain and Denmark.

Pending the negotiation of a new agreement, the two countries had not raised their tariffs on Spanish exports, the Irish argued.

The Community's 1976 generalised preference scheme provides for a 10 per cent. cut in duties on agricultural products and a 15 per cent. increase in "ceilings" on industrial goods.

Britain secured an increase in the tobacco quota from 30,000 to 38,000 tonnes, which should be of considerable help to India, but the other countries would not agree to include non-sensitive Hong Kong textiles in the scheme next year.

The Nine will now consult their 46 African, Caribbean and Pacific associates, who have been strongly complaining that the schemes reduces their own preferential margin on the EEC market.

Paris summit delays Swiss 'snake' meeting

BRUSSELS, Nov. 6.

THE ENTRY of the Swiss franc into the European joint floating currency "snake" will be delayed because the meeting called to finalise arrangements had to be postponed, EEC sources said to-night. The November 17 session of the ministers involved has been postponed because French and West German ministers will be unable to attend. They must be in France for the six-nation Rambouillet economic and monetary summit called by French President Valery Giscard d'Estaing, which is not expected to finish until the afternoon of November 17.

No new date has been set, but Community finance ministers are already scheduled to meet again on December 15.

The sources said that the French and West German ministers would come to Brussels later on November 17 for a routine session of the EEC Council. The meeting with the Swiss delegation was scheduled for the morning.

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ILO: U.S. threatens to quit

BY DAVID EGLI

GENEVA, Nov. 6.

THE U.S. to-day formally notified the International Labour Organisation (ILO) of its intention to withdraw from membership in two years' time. However, the letter, signed by U.S. Secretary of State Henry Kissinger, stresses that the U.S. neither wishes nor expects to leave the organisation.

The U.S. hopes that the ILO will change its construction in a way to permit continued U.S. participation. If not, U.S. financial support, amounting to about 25 per cent. of the organisation's assessed budget, will be terminated in 1977.

The U.S. claims that recent years have seen an erosion of the tripartite representation within the labour body (Government, employer, worker), with workers' and employers' groups falling under the domination of Governments.

Further, the U.S. contends that the activities of the organisation have become increasingly and excessively involved in political issues beyond its mandate, leading to an "utter disregard of established procedures and machinery."

French power and post disrupted

PARIS, Nov. 6.

FRENCH trade unions to-day cut gas and electricity supplies and disrupted postal services on the second day of their autumn protest campaign.

The 48-hour campaign of stoppages in the public sector, which opened with a public transport strike in Paris yesterday, is in support of demands for better pay. The unions also want cuts in working hours and a lower retirement age as ways of fighting unemployment.

Reuter

EUROPEAN NEWS

Heavy tax losses in Norway due to Ekofisk shutdown

BY FAY GJESTER

OSLO, Nov. 6.

NORWAY is losing nearly Kr.2m. a day in taxes and royalties as a result of the partial shutdown of oil production on the Ekofisk Field after Saturday's accident on production platform Alpha, the Oslo newspaper Aftenposten reports to-day.

Output on Alpha was stopped immediately after the accident and on another platform, Bravo, production was shut off yesterday when signs of corrosion were found on feeder pipes leading to the platform. It was the rupture of a rust-damaged feeder pipe which caused the accident on Alpha.

Output

Aftenposten points out that the shutdown of two of the field's three production platforms has cut total output from 300,000 barrels a day to only 40,000. Gross income from the "missing" 260,000 barrels would be around Kr.15.6m. a day and the State's share of this (10 per cent. royalty) would be over Kr.1.5m.

In addition, the output cuts will reduce earnings by the Phillips Group, operators on Ekofisk, leading to a corresponding fall in the government's tax take. The paper estimates the tax loss at several hundred thousand kroner daily, as long as the lower rate of production lasts.

How long this will be, is not yet clear. Repairs to the fire-damaged Alpha will take some time. On Bravo, the three feeder pipes are to be carefully tested for weak spots. If two of them are strong enough, output can be resumed on these two, while the third is replaced, a Phillips spokesman said. The speed at which this can be done—as with most North Sea operations—will depend on weather conditions.

Meanwhile, it looks as if the Labour Government will soon face another problem connected with oil. The non-Socialist parties in the Storting (Parliament) have already indicated they will vote to reduce the government's proposed Kr.1.4bn. allocation to Statoil, the State oil company, under the 1976 budget.

Kr.900m. of the money was to be a loan and the rest was to finance an increase in Statoil's share capital. Last night, a spokesman for SV, the other Socialist party in the Storting, said the government could not count on its support either.

The opposition parties have differing reasons for their coolness towards Statoil. SV, and most of the smaller non-Socialist parties, want a slower pace of development in the North Sea, while the conservatives favour a larger role for private enterprise. It is believed here that the upshot will be a cut of some Kr.250m. in Statoil's allocation, forcing the company to seek a foreign loan to make up the difference. It is thought unlikely that the government will threaten to resign over the issue.

Trawling equipment of the type used in the North Sea can damage undersea pipelines, Aftenposten also reports to-day. It says Norwegian experts discovered this during tests commissioned by 15 Norwegian and foreign oil companies. The results of the tests were supposed to have been kept secret but details have leaked out, the paper writes.

At the same time, Norwegian fishermen have begun complaining that their trawls are being destroyed by litter left behind or dumped on the seabed by offshore operators, in clear violation of Norwegian regulations.

The chairman of the South Norwegian Trawler Association says some trawler owners have lost equipment worth Kr.40,000 as a result of a single collision with undersea oil rubbish.

Checks

Rhys David writes: The Department of Energy inspectorates covering pipelines and petroleum will be writing to U.K. offshore operators drawing their attention to the problems encountered by the Norwegians and suggesting further checks.

It is being pointed out, however, that operators in the U.K. sector are already being obliged to carry out rigorous inspection procedures and that these are backed by regular government checks.

It is thought these precautions will be sufficient to ensure early detection of problems similar to those which have affected the Ekofisk A platform.

North Sea Oil review Page 25

Oceanic to stay in the Aegean

By Our Own Correspondent

ATHENS, Nov. 6.

OCEANIC Exploration company of Denver, Colorado, has provided a $216.5m. guarantee from a banking consortium which will allow it to proceed with the exploitation of oil deposits it discovered off the north Aegean island of Thassos early in 1973.

An official announcement said to-day that a meeting of key Ministers headed by Premier Constantine Karamanlis approved the bank guarantee provided by Westfalebank AG Bochum, Canadian Imperial Bank of Commerce (of San Francisco, California), Banque Bruxelles Lambert, Banque Francaise du Commerce Exterieur, and Banque de l'Union Europeenne.

Under its agreement, originally signed with the military junta in December, 1969 and revised by the present Government in June this year, Oceanic was required to secure a $200m. to $250m. bank guarantee, an amount equal to the estimated cost of exploiting the oil deposits off Thassos.

Oceanic has a 68.75 per cent. stake in the four-company consortium which struck oil off Thassos. The other three are Hellenic Oil Company with 12.5 per cent., Wintershall A.G. with 12.5 per cent., and White Shield Greece Oil Corporation with 6.25 per cent.

The discovery of oil in the North Aegean has made a significant addition to the country's known energy reserves.

YUGOSLAVIA'S INFORMBIROVCI

A Stalinist ghost walks

BY PAUL LENDVAI, VIENNA CORRESPONDENT

MARSHAL TITO personally and the Yugoslav leadership have launched a co-ordinated campaign against pro-Soviet Stalinists who, in the words of the 83-year-old leader, are trying with the assistance of emigre groups to "climb into the saddle over our backs."

While also attacking nationalists and "liberals," official spokesmen publicly admit that it is the so-called "Cominformists" or "neo-Cominformists" who pose the gravest threat to Yugoslavia's future as an independent socialist State.

Thus, almost three decades after its formation and 20 years after its quiet disbandment, the spectre of Cominform, the short-lived successor organisation to the Comintern, is still haunting Yugoslavia. Popular ignorance about the real meaning of the often-used term, Cominformists or *informbirovci* is such that already years ago, at an opinion poll, many young people said Cominformists were some kind of African tribe. This month the mass circulation political weekly, Nin, of Belgrade has started a series on the Cominform to tell the younger generation about the historic battle against Stalin.

Expelled

Yugoslavia was expelled from the Cominform, composed of the Soviet bloc parties and the Italian and French communist parties, on Stalin's orders in 1948. The *informbirovic* were those Yugoslavs who gave their first loyalty to the "Fatherland of the Proletariat." At the crucial meeting of the Yugoslav Central Committee in April 1948 Marshal Tito explained the crux of the dispute: "The point first and foremost, is relations between one state and another." In short, the issue was not ideology but independence.

It is still the same. Following the discovery of several attempts to create secret pro-Soviet organisations, the Yugoslav leaders informed not only the 1m. members of the Yugoslav League of Communists but also the public at large that the Cominformists who "lately have become more active" are simply traitors bent on the destruction of the system of self-management in Yugoslav industry, the non-aligned foreign policy, the country's very independence and sovereignty. On October 15 the Party Presidium announced in a laconic communique that it had considered the political situation and "some aspects of hostile activities against the party and the country." Six days later, the Vice-president, Dr. Vladimir Bakaric, one of the Marshal's closest collaborators, stated that the political line of the underground groups amounted to compelling Yugoslavia to join "the camp," that is the Soviet bloc and all its organisations from the Warsaw Pact to Comecon. He added: "During the past few years very little atention was paid to this danger . . . and for a part of the party membership the dividing line between us and them has not been clear enough."

It has now been officially announced that several trials are imminent. In September, 1974, 32 conspirators, financed and assisted by emigre troops in eastern Europe, who founded an underground Stalinist party and held a congress in the Adriatic city of Bar, were sentenced to long prison terms. Though stopping short of directly accusing the Soviets, the Yugoslav Press said at that time that lending support to political subversion was incompatible with good inter-state relations.

This year several groups of pro-Soviet Stalinists, including some former high officials and pensioned officers of the security services, have been arrested in Bosnia, Croatia and Serbia. According to diplomatic sources, more than 100 persons have been taken into custody accused of subversive activities. While it is true that extreme Croat nationalists, accused of preparing terrorist outrages, are also under arrest, Yugoslav officials privately allege that nationalist emigre groups in Western Germany and elsewhere have long been penetrated and to some extent even manipulated by the KGB, the Soviet secret service.

After the purge of alleged nationalists in Croatia in 1971-72 and the campaign against "liberals" and "technocrats" in Serbia, Slovenia and Macedonia in 1972-73, the pendulum has swung in the opposite direction. It would be an error to exaggerate the importance of the Cominformist groups and Dr. Bakaric was surely right when he said that "there is absolutely no possibility that a stronger movement of this kind will be created." Yet both he and his colleagues evidently take a serious view of the internal and external ramifications—otherwise they would not have launched the present campaign.

Mysterious

The mysterious case of Col. Vlado Dapcevic, who since his escape from Yugoslavia in 1960 had been the chief of the anti-Titoist emigre Stalinists, first in Kiev and since the late 1960s in Brussels, may also play an important role behind the scenes. Col. Dapcevic, now a Belgian citizen, was lured in early August to Bucharest where he disappeared without a trace. The Romanians disclaim any knowledge of his whereabouts, and it is understood from authoritative Yugoslav sources that he is now held in a maximum security cell of a Belgrade prison. The cancellation of President Ceausescu's visit to Belgrade last month supported earlier rumours that the kidnapping of Col. Dapcevic has caused some tension between Yugoslavia and Romania. Though Col. Dapcevic, in the autumn of 1974, wrote a letter to Le Monde of Paris, disclaiming any responsibility for the underground Stalinist party at that time on trial in Yugoslavia, and attacking along with the Yugoslavs also the "Soviet revisionists," that may have been a cover for his continued association with the Soviet secret police.

Be that as it may, the Yugoslavs now make it abundantly clear, as the newspaper Oslobodjenje put it, "where the wind is blowing from, and whose tools" the neo-Cominformist conspirators are. Without naming Moscow, several senior Yugoslav officials recently accused foreign powers or interests of trying to use hostile emigres to "gain a foothold in Yugoslavia." There is no reason to doubt that the extreme Croat or Albanian nationalists and their lunatic fringe are also active in Yugoslavia. But no Yugoslav politician has ever accused the West German, Swedish or Austrian Governments of supporting such subversive groups for "strategic considerations."

At a time when Yugoslavia is in the throes of grave economic difficulties and its elite has been shaken by successive campaigns against alleged anti-socialist tendencies, the various Cominformist affairs serve to remind both the leaders and the population of the dangers involved in Yugoslavia's exposed geopolitical and strategic position. The next few weeks will show whether the Belgrade leadership will move from historical reminiscences and innuendos to a public rift with Moscow.

Portuguese in crisis of authority talks

BY PAUL ELLMAN

LISBON, Nov. 6.

PORTUGUESE Ministers met with military leaders to-day to discuss the crisis of authority within the armed forces, which is considered the primary threat to the survival of the Sixth Provisional Government.

The meeting was requested by the Government in the wake of fresh disorders and the refusal of increasing numbers of soldiers to follow orders.

The Prime Minister, Admiral Pinheiro de Azevedo, has made it clear to the Revolutionary Council of the Armed Forces Movement—still the country's top decision-making body—that there is little the Government can do unless it can rely upon the military.

The meeting, which was still going on late this evening, was expected to produce some acerbic exchanges over the role the Communist Party is playing in the latest political crisis.

Although the Communists are represented inside the Sixth Provisional Government, they have not been slow to exploit attacks made upon it by extreme Leftists who favour so-called "direct democracy" rather than a Parliamentary system to which all the major parties are committed.

According to some sources here the Communist Party leader, Dr. Alvaro Cunhal, has been putting pressure on President Costa Gomes to restructure the Government in a way which would exclude the popular Democratic Party (PPD) which won the second highest number of votes to the constituent Assembly.

As part of these manoeuvrings, the PPD leader, Dr. Sa Carneiro to-day called on Dr. Mario Soares, the Socialist leader, to "clarify" his position in relation to the Communists. He said that an alliance between the Socialists and Communists would be "anti-democratic."

Dr. Carneiro hinted that the PPD might feel obliged to leave the Government if there was an attempt to turn the present constituent Assembly into a legislative body without holding new elections.

Dr. Carneiro's remarks, the second occasion in less than a week that he has criticised the Socialists, were also timed to coincide with the televised debate on the economy scheduled for later to-night between Dr. Soares and Dr. Cunhal, a debate in which the PPD feels it ought to have been invited to take part.

Ministry protest violence

BY OUR OWN CORRESPONDENT

LISBON, Nov. 6.

A LEFTIST campaign to oust Portugal's Secretary of State for Information Sr. Jose Ferreria de Cunha errupted into violence to-day. After publishing documents alleged to show that Sr. Ferreria de Cunha had been a old propogandist for the Caetano régime, civil servants decided to take their campaign one step further by denying him access to the Ministry. The confrontation is considered in some quarters to be an indirect attack on President Costa Gomes—Sr. Cunha was his aide for many years.

A group of about 30 blocked the main staircase in the Ministry this morning, apparently unaware that the Secretary had arrived early and was already at his desk.

Shortly after the demonstration began, a detachment from the Republican Guard, the national gendarmerie, arrived and began belabouring the demonstrators with truncheons to clear the staircase.

The use of the Republican Guard is regarded as particularly provocative by local Left-wingers in view of the forces close identification with the old régime, and before long a large crowd had gathered outside the Ministry chanting "murderers"

After a series of scuffles, in the course of which shots were fired in the air, a detachment of police was driven inside the Ministry from which it began to lob tear-gas cannisters. The demonstrators retaliated with a barrage of missiles

A nauseating cloud of gas spread over the area incapacitating large numbers of police who had been left outside the building without gas masks.

Eventually, those outside decided that there was little they could do to calm the crowd and withdrew from the scene, leaving their colleagues trapped inside.

As darkness fell, military police had managed to insert themselves between the demonstrators and the Ministry building, and the crowd had settled down to chanting slogans and listening to speeches while awaiting reinforcements reportedly on their way from factories and shipyards in the Lisbon area.

Dutch to offset labour costs

THE HAGUE, Nov. 6.

ABOUT HALF of the extra Fls.3bn. (about £550m.) reflation programme for 1976 will be used as tax relief to ease labour costs, the Social Affairs, Economics and Finance Ministers said in a letter to the Dutch Parliament's lower House.

They said a further Fls.650m. would be used to combat unemployment in the building industry, Fls.550m. to maintain and expand employment in industry and agriculture and Fls.350m. to attain a better balance of supply and demand in the labour market.

The programme was first announced in September at the time of the 1976 budget.

Reuter

HOME NEWS

Electrical industry feels the cold

BY ROY HODSON

THE HEAVY electrical industry and, by association, the whole of the British engineering sector, can expect to be hit by the withholding of orders for new power stations and generating plant until at least 1980. Meanwhile there will be applications for electricity price increases during the coming months.

The demand for electricity is continuing to decline and the Central Electricity Generating Board is now resigned to imposing a long freeze on its plans for new equipment.

Mr. Arthur Hawkins, chairman of the CEGB, in an interview yesterday, put forward 1980 as the earliest realistic date from which the Board might start ordering once again. Earlier this year he imposed a shorter freeze, up to 1978.

At one point in the 1960s the CEGB was spending some £500m. a year at prices ruling then. The rate of investment has fallen since and currently is running at between £250m. and £30m. a year.

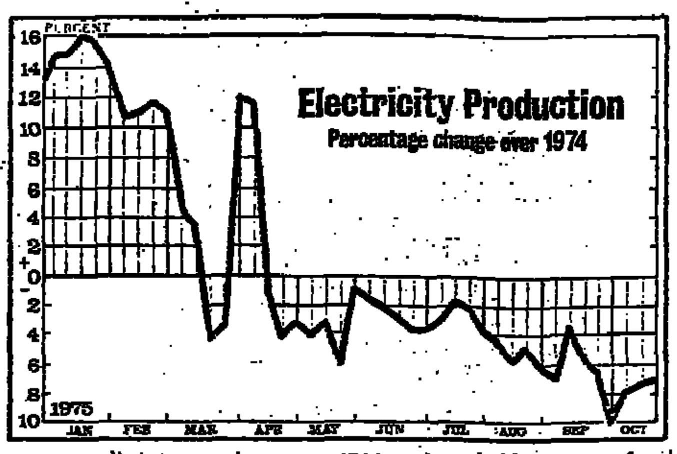
To avoid building power stations before they are needed the intention is that the rate of investment should be allowed to decline slowly during the next four years. In real terms, taking inflation into account, the Board's withdrawal from the capital investment scene will be considerable and will be acutely embarrassing to suppliers.

Mr Hawkins and his Board are arriving at these conclusions quite early in their annual winter exercise of producing capital spending plans for formal disclosure in March, 1976.

"Electricity is experiencing a drop in energy sales which is unprecedented in its peace-time history," Mr. Hawkins said in London last night. He told the British Nuclear Energy Society and British Nuclear Forum dinner that the trend had begun at the turn of the year and had become more and more pronounced.

Sales were 8 per cent. lower in October than a year earlier. There was no sign that the declining trend had yet bottomed out. He went on: "The big reduction in electricity consumption has naturally come as a shock to an industry which has grown steadily since its inception and which over the last 15 years experienced average annual growth rates of more than 6 per cent."

There are three reasons for the drop in electricity usage, the success of the Government's energy conservation campaign: consumer reaction to the increase in retail tariffs: and reduced industrial activity.



Higher tariffs

The Board's current figures are based upon the wholesale sale of electricity—the output of the power stations. It will not be possible to be definite about the pattern of reduced demand until all the quarterly meters of industry and the domestic market have been read. But there are clear indications that reduced industrial demand is the biggest single factor.

Mr. Hawkins made it clear yesterday that the industry want new price rises for electricity to be granted during the coming 12 months. The CEGB will be applying to the Prices Commission for an increase in the bulk electricity tariff. In turn, any increase will be passed on via the area Boards to the consumer.

"The down-turn in demand for electricity is having the effect of creaming off our profit margin leaving us no alternative to seeking higher prices," he said.

In spite of the falling demand for electricity, the CEGB has no intention of bringing in a new wave of plant closures. The Board has recently obtained union agreement to accelerate the closure or partial closure of 47 older power stations—many sited in towns—over the next 18 months. Originally, they were to have been phased out over five years.

The dominant factor in any electricity price increases will be the price of fuel. During a matter of months the industry has switched decisively away from oil and towards coal. In 1974-75 CEGB power stations burned 65m. tons of coal and 21m. tons of heavy fuel oil. In 1975-76 the expected burn is 67m. tons of coal (a slight increase) and 14m. tons of oil (a reduction of one-third).

Mr. Hawkins, in his address last night, said that provided the National Coal Board could preserve the competitive edge which coal from low-cost pits at present enjoyed over oil, there was every reason to believe that the CEGB's use of coal would increase further in the future.

Sir Derek Ezra, chairman of the National Coal Board promised yesterday during a pit visit that investment in the coal industry this year will reach £211m.—more than double last year's figure of £102m.

After going underground at Nostell Colliery, Yorkshire, he told miners that colliery output in October was 165,000 tons better than a year previously.

The NCB capital programme up to 1985 will cost about £1,400m. at 1974 prices, said Sir Derek. That figure includes the £600m. Plan for Coal designed to produce an extra 40m. tons a year.

North Sea companies to 'buy British'

By Ray Dafter

BRITISH SUPPLIERS of equipment and services for the offshore oil industry should have a better chance of winning orders as a result of an agreement between Government and oil companies.

Mr. Anthony Wedgwood Benn, Energy Secretary, said yesterday that agreement had been reached with the U.K. Offshore Operators Association on a code of practice which should ensure that British industry was given a "full and fair" opportunity to compete for business in the U.K. offshore market.

The latest estimate of the value of this market is about £1.3bn. It is thought that British industry's share of the market is now between 40 and 45 per cent.

Mr. Wedgwood Benn said that the agreement was a significant step in the Government's aim to ensure that British industry supplied on a competitive basis an increasing share of the domestic offshore market.

The 42 member-companies of the association have agreed to give U.K. companies the opportunity of tendering for contracts. When a contract is about to be awarded to an overseas company the operator will inform the Department of Energy's Offshore Supplies Office "for representation and clarification."

This prior notice will not normally apply to orders for materials and manufactures below £100,000 and to construction and services contracts below £500,000.

Price curb scheme worries retailers

BY ELINOR GOODMAN

EARLY REACTION to the consultative document on price restraint circulated to members of the Confederation of British Industry and the Retail Consortium yesterday suggested that the Government might meet stiff opposition from industry if it tried to spread the net too wide.

The consultative document spelt out the broad outline of the Government's proposed scheme to keep price rises on certain key items of household expenditure to under 5 per cent. in the six months to July 31 next year.

Attached to it was a list of 77 categories, including tobacco, beer, heating oil and transport, from which items will be selected for the programme

The document also repeats the Government's undertaking that no such scheme will be introduced until there is evidence that the pay policy is working as well as "indications" of a turn round in margins.

Industry is worried that what will constitute an "indication" in the Government's mind will not satisfy a manufacturer.

Retailers, particularly, are concerned about the paragraph which refers to the possible "scope for distributors making an additional contribution to the package"—perhaps by holding cash margins on listed items.

Sainsburys said that there was very little room for manoeuvring given the very low margins in food retailing shown in the latest Price Commission report. As yet, there was no indication that there had been a recovery in food retailing margins. In fact, the very opposite was true.

Neither the Retail Consortium nor the CBI was prepared to comment officially on the document before discussing it with their respective members, but the main stumbling block was felt to be the interpretation of evidence suggesting that margins had improved.

Both bodies have agreed to meet to discuss the idea further with the Department of Prices.

Belfast yard faces State aid deadline

By Quentin Peel

BELFAST, Nov. 6

HARLAND AND WOLFF, the State-owned and financially crippled Belfast shipyard, faces a Christmas deadline from the Government for a huge improvement in efficiency and productivity if it is not to lose its State support, and appears to be heading for a confrontation even faster than was expected.

Progress so far at the shipyard both in setting up a new Board including worker-directors, and in organising "special task forces" to streamline production and iron out inter-departmental bottlenecks, has been much slower than required. The task forces were specifically demanded by Mr. Stanley Orme, Minister of State for Northern Ireland, when he set his Christmas deadline on October 3.

There appears to be a direct difference of opinion between Government, shop stewards and the management about the extent of progress. Shop stewards' leader Mr. Sandy Scott claimed yesterday that productivity had already improved from the estimated 65 to 68 man hours per ton of steel to 50 man hours last week and 52 in the current week.

But Harland and Wolff management declined to give any figures so soon, stating only that: "There are definite signs that productivity is improving." The company prefers to calculate productivity over a longer period, preferably a six-month rolling average.

Exaggerated

Both workers and management imply that the figures reckoned on October 3 were exaggerated because of production being unbalanced, with two ships nearing completion. There has also been a clear increase in the tempo of work in the yard, they say.

But Stormont Castle is thought to be doubtful that there had been any real improvement. There have been suggestions that the figures produced by the shop stewards are being interpreted too optimistically.

At the same time the special task forces have still to become fully operative. The company says they have existed for a fortnight, but so far no workers' representatives have been appointed. Nor have any worker-directors been elected to the new 15-man Board, which was supposed to be in existence at the beginning of this month.

Banks may appeal against full Sandilands method

BY MICHAEL BLANDEN

THE BIG banks may make further representations urging the case for special treatment for financial institutions under the new inflation accounting rules expected to be introduced following the Sandilands report.

The banks, along with much of the City, remain concerned that the current cost accounting approach (CCA) to inflation accounting recommended by the Sandilands committee will not reflect their problems in dealing with largely monetary assets and liabilities. The accountancy profession, however, has agreed to drop its own current purchasing power (CPP) approach.

Mr. Francis Sandilands, chairman of the committee, agreed yesterday that the problems of the accounts of the banks and other financial institutions might have to be further examined.

His comments followed the support given for the committee's proposals by the accounting profession. In a question-and answer session at yesterdays' Financial Times conference on inflation accounting, it was clear that, in spite of the willingness to compromise evident in recent statements, the differences of approach to inflation accounting remain significant.

Mr. Sandilands acknowledged that there might be anomalies in the report and that some areas might need further study. One problem could arise with companies which rely on dealing profits — classified as "holding gains" by Sandilands—for their main source of income.

He repeated, however, that he regarded the CCA approach as a complete method of inflation accounting and that if supplementary statements covering monetary items were to be produced, they should be kept as far away as possible from the basic profit-and-loss account.

Commenting specifically on the banks, he recognised that inflation could erode the capital base of their business, but added that he had not found bank accounts very informative anyway.

Laker Air freezes fares until June

By Our Aerospace Correspondent

LAKER AIR Travel is freezing fares on its advanced booking charter (ABC) operations to the U.S. and Canada from April 1 to the end of June next year.

No matter what further increases there may be in fuel or other costs between now and June 30 next, the fares listed in Laker's ABC 1976 brochure, issued yesterday, will be guaranteed at the published levels.

The brochure contains rates ranging upwards from £102 return between Gatwick and North America, according to destination and date of travel.

Laker can offer these guarantees because the Government now permits tour operators to buy their foreign currency six months in advance.

The company says it knows in advance how many holidays it is offering—about 90,000 under the European and Mediterranean programme—and how many ABC seats it will have on the long-haul routes—about 120,000 return trips on the North Atlantic

U.K. atom team impressed on tour of Russia

BY DAVID FISHLOCK, SCIENCE EDITOR

LEADING BRITISH nuclear engineers have returned from a ten-day tour of Russian nuclear power plants deeply impressed by the progress achieved with a reactor very similar to one chosen for the new British nuclear stations.

The team of eight, led by Mr. J. C. C. Stewart, deputy chairman of the Nuclear Power Company, signed a protocol in Moscow covering Anglo-Soviet collaboration in the design, component manufacture and building of nuclear plant

The two types of reactor of specific interest to the U.K. are the Russian pressure-tube reactor, akin to Britain's "steamer," and the fast reactor.

High point of the visit was the Leningrad Nuclear Power Station where the visitors—representing the British Nuclear Forum—were shown twin 1,000 MW pressure-tube reactors operating at close to full output.

These are the biggest pressure-tube reactors operating anywhere in the world to-day. They are substantially bigger than the 500 MW Candu reactors under construction by Ontario Hydro, the first of which is expected to come on-load next year.

The Russian reactor is basically very similar to the "steamer" except that it uses graphite as its moderator instead of heavy water. The steam conditions—pressure and temperature—of the primary circuit are almost identical with those planned for the 4,000 MW of pressure-tube reactor authorised by the U.K. Government

The Russians appear to have a programme of some 10,000-15,000 MW of reactors of this type under construction, spread among five nuclear stations. Their programme is divided almost equally between the pressure-tube and a pressurised water reactor, although no 1,000 MW PWR's are yet operating.

Among the points the party believe could be directly relevant to the British nuclear programme are the zirconium alloys the Russians have developed for pressure tubes, the techniques for manufacturing nozzles for steam drums by electro-slag welding, and schemes for advancing to larger reactor sizes

British Gas chief to retire

By Ray Dafter

SIR ARTHUR HETHERINGTON is to retire as chairman of the British Gas Corporation on June 30. He will be succeeded by Mr. Denis Rooke, deputy chairman since the corporation's inception at the beginning of 1973.

During his 40 years in the gas industry, Sir Arthur has played his part in both the structural and technological reorganisation of British gas.

He was appointed deputy chairman of the Gas Council in 1967, chairman in 1972, and became chairman of the new Gas corporation the following year

In these posts he was largely responsible for welding together the old area boards and creating the industry's new structure.

Mr. Rooke, an engineer, entered the gas industry in 1949 as an assistant mechanical engineer with the South Eastern Gas Board. He joined the Gas Council in 1960 as development engineer, becoming a member of the council in 1966.

Mr Rooke is this year's president of the Institute of Gas Engineers.

Orkney meeting on oil revenue

THE ORKNEY Islands Council is to discuss how its oil revenues should be used. The council so far has received £650,000 from oil-related developments and is to buy a 37-foot harbour launch for £16,000.

Shetland Islands Council decided recently to make a £70,000 Christmas hand-out from its oil revenues to the 3,000 old people on the island.

FT CONFERENCE

Accounting changes possible in two years

BY BRUCE ANDREWS

IN SPITE of the controversy surrounding the Sandilands Report it might still be possible to follow an initial standard of current cost accounting for accounts for periods starting on December 24, 1977. But timing depended ultimately on the steering committee to be set up to oversee introduction of the system, and on the Government, said two leading members of Inflation Accounting Committee yesterday.

Mr. Francis Sandilands, chairman of the committee, and Mr. D. R. Chilvers, a member were answering questions at a London conference, attended by some 500 delegates, on Inflation Accounting and the Implications of the Sandilands Report. It was organised by the Financial Times in conjunction with the Institute of Chartered Accountants in England and Wales.

Mr Sandilands acknowledged that there might be anomalies in the report. He said he welcomed criticism—"maybe we were wrong in being so categorical"—but hoped that "the time for debate would soon be over" and that action to introduce inflation accounting would begin. There must be "an enormous education effort" to ensure that all users of accounts, including employees, understood the methods to be adopted. This added weight to the argument that accounts should be as intelligible as possible, one reason why the report had not recommended use of the current purchasing power method. He hoped the accounting profession could get trade unions interested and involved

The union view was put by Mr. Clive Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs.

On the implications of Sandilands for wage bargaining Mr. Jenkins said the effect of the system would be to reduce reported profits. It was therefore a recipe for greater relaxation of the price code, leading to more price increases; and for less company taxation, leading to a decrease in Government revenue. Both these consequences, particularly the former, would have an inflationary impact and would therefore hit employees

"A natural response to this would be increased expectations in wage claims to compensate for the extra rise in the cost of living," said Mr. Jenkins. "But the same current cost accounting method also helps employers to resist these pressures by artificially depressing the reported profits. The result of this accountants' pincer movement is that it is the trade unionists who get squeezed."

In a period of wage control the inflationary effect of the proposals might not be so marked, he added, but some employers were already using Sandilands' arguments to resist proposals for wage increases for £6 a week. "The issues are profoundly political. I know that company accounts do not take full account of inflation, but neither do wage packets nor personal bank statements."

The real effect of the proposals would depend on the extent to which the Government accepted them. Mr. Jenkins thought the recommendations on company accounting were more likely to be accepted than those on price control and taxation.

Prof. D. R. Myddelton, Professor of Finance and Accounting at the Cranfield School of Management, objected to Sandilands on the grounds that the proposals flew in the face of basic economic principles. Sandilands had not convinced the accounting profession, whereas the current purchasing power method had. He contended that the report had completely failed to deal with the root of the problem of inflation accounting—inflation itself.

"Its piecemeal proposals involve a revolutionary change in accounting principles, by substituting hypothetical current values for actual market transactions, and by taking credit for unrealised gains. The report revealed a totally unrealistic view of the market's economy. Its tax proposals have little to do with the accounting proposals, leading to huge balances on deferred tax accounts."

The accounting profession, concluded Prof. Myddelton, should introduce a logical, consistent, comprehensive, workable, inexpensive system using a single general index to allow for the falling value of money. That system was current purchasing power.

Other speakers were Mr. R. O'Brien, group director of Manpower, the Delta Metal Company and chairman of the CBI Employment Policy Committee, Mr. D. W. Hardy, finance director Tate and Lyle; and Mr. J. A. Rowson of Herbert Smith solicitors.

HOME NEWS

Britain warned against dependence on North Sea

BY RAY DAFTER

THE RISK of the economy coming to rely too heavily on North Sea oil was emphasised in London yesterday by M. Henri Simonet, vice-president of the European Commission and Commissioner for Energy.

A modest fall in the world oil price of about $3 a barrel in real terms over the next five years might put many offshore oilfields in trouble, he said. About £5bn. could be invested in the British sector by 1980, with more on ancillary facilities.

"If a significant proportion of this investment was to go sour it would be a major catastrophe for the U.K. economy," he said.

The warning only three days after Britain, through BP, became a major oil-producer in her own right, was given at a conference organised by the Association of Independent Petroleum Companies, which underlines the importance of the European Community energy policy to Britain.

M. Simonet, who had had a working lunch with Mr. Anthony Wedgwood Benn, Energy Secretary, said it was important for the EEC to evolve an energy policy which would take account of Britain's producing role. Up to now the U.K. had held back from agreeing to a policy which might restrain its freedom of action and be "too responsive" to the consumer.

Other Home News Pages 12 and 13

Under targets set to reduce Community dependence on fossil fuel imports, it was envisaged that the EEC might be importing only 40 per cent. of its requirements by 1985, compared with the present level of about 60 per cent.

"In this the North Sea will play a key role: first as an indigenous source of oil and gas applying up to 12 to 15 per cent. of Community energy requirements in 1985; secondly as a privileged source of imports worth perhaps a further 5 to 7 per cent. of requirements."

M. Simonet said the kind of Community framework now being considered would go a long way towards reducing uncertainties in three crucial areas: Prices of crude and oil products; terms on which finance would be available to industry; and problems which might occur in over-capacity in the refining sector.

Increasingly, economic growth in Europe would no longer be thought of as underwritten by cheap oil. "The resistance to high oil price will weaken as oil is channelled increasingly into those activities for which substitutes are relatively hard to find, for example, transport and chemicals manufacture." There could be no doubt that with the upgrading of the uses of oil and gas it would become much easier for Community countries to envisage relatively high market guarantees for oil and gas against the risk of world price fall.

M. Simonet concluded: "We now have to break through to a new common understanding of our interest in working together." The package of policies which would make up the energy policy must be wide-ranging enough to accommodate the essential interests of each member-State.

BL to spend £10m. on Scots truck factories

By Chris Baur, Scottish Correspondent

BRITISH LEYLAND plans to invest about £10m. at its two Scottish truck factories at Bathgate, West Lothian, and Scotstoun in Glasgow. Details of the investment will probably be announced in the next few weeks.

Mr. Ron Ellis, the company's bus and truck division managing director, announced the plan during a visit to the Scottish factories. He said it would be devoted to a "major re-tooling" at both factories with most expenditure taking place at the Bathgate plant.

Mr. Ellis explained that the investment was in accordance with the recommendations to the Government on British Leyland made by Lord Ryder, chairman-designate of the National Enterprise Board. The results of the investment would be monitored by the NEB and the Scottish Development Agency.

The re-tooling will be undertaken during the next year. It follows a more limited recent investment of about £2m. by the company in Scotland. It is unlikely to increase employment at either of the plants, which together employ about 8,500 people.

The sum represents BL's largest single investment in Scotland since its Bathgate truck and tractor factory was opened at a cost of £12m. 14 years ago.

Mr. Harold Wilson greets President Sadat of Egypt, who flew into Heathrow yesterday for a three-day visit to Britain.

Foundries 'must spend over £300m.'

By Our Industrial Correspondent

THE U.K. foundry industry will have to find more than £300m. over the next five years if the industry is to meet its capital investment requirements and conform with new legislation on industrial safety and pollution control.

This point was made by Mr. Ian Ley at the annual dinner of the Council of Ironfoundry Associations, of which he is chairman.

So, while the industry welcomed the Government's aid scheme for the ferrous foundry industry, by which £25m. has been set aside to encourage capital investment in foundries, "we will still have to supply 75 per cent. of the money ourselves unless the foundries are in a development area when the figure drops to 60 per cent."

Pollution control

Mr. Ley also pointed out that the cost of pollution control equipment is specifically excluded from the aid scheme unless it is part of an overall expansion or re-equipment programme and then only allows for a small percentage of this unproductive investment to be recouped.

"The lower limit of £25,000 for schemes eligible for Government aid means that the smaller foundries still have a particularly heavy burden to bear," he added.

Mr. Ley urged ironfounders to "profit from the recession. Make plans to invest, modernise, increase efficiency and prepare for the upturn we all know will come."

Pan Am loses commissions appeal

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE DEPARTMENT of Trade has won the fight over the level of commissions that airlines flying to and from this country can pay to their travel agents.

This is the effect of the ruling by the House of Lords yesterday that Pan American World Airways cannot challenge an earlier decision by the Court of Appeal, upholding the right of the Secretary of State to fix commission levels.

Earlier this year, Pan Am had sought to raise the rates of commission that it paid to agents world-wide, both in a bid to stimulate its own business and to help eliminate the increasing volume of illegal ticket sales.

The DoT objected, and Pam Am took the matter to court, initially in May winning a decision from Mr. Justic Donaldson that it could pay its agents in this country what it liked.

That decision, however, was reversed by the Court of Appeal in July, which said the Secretary of State had complete power to settle commission rates.

Pan Am accepted that ruling, subject to a further decision from the House of Lords, and agreed for the time being to pay only 7½ per cent. on scheduled-service ticket sales.

Concorde +20%

Fares on the first Concorde passenger services, planned to start on January 21, will be first-class plus 20 per cent. Airlines at the International Air Transport Association fares conference at Cannes also agreed that fares on the South Atlantic route rise by 3 per cent. from January 1 for 15 months

Students reject official view of unquoted sector

BY MICHAEL BLANDEN

THE UNQUOTED sector of U.K. companies is far less profitable than official estimates have so far suggested, but plays a much bigger part in the economy than has been recognised, it is argued in a new report published to-day.

The report has been prepared by students at Imperial College, London, using material provided by Jordan Dataquest, the business information concern known as the Financial Analysis Group before its recent takeover by Jordans.

The use of a much wider sample of 6,790 unquoted companies, compared with the 1,754 *companies which form the basis* of the Department of Industry's statistics on company finance, it is argued, provides a more comprehensive and substantially different picture from the one given by the official figures.

In particular, the new survey disagrees sharply with the official figures which indicate that unquoted companies produce a better return on assets than listed companies.

The return on capital of unquoted companies given by official statistics works out at 17.8 per cent. against 12.6 per cent. for quoted companies. But the Imperial College results indicate that the return for unquoted companies at 12.3 per cent. is lower than for quoted companies.

At the same time, the new survey puts the sales value and the capital employed in unquoted companies at much higher levels than the official figures, with capital employed at £11bn. *compared with the* official figure of £4.4bn.

Mr. Chris Bristow of Imperial, who analysed the data, commented that the findings "could have some repercussions for economic planning." He also *criticised the official statistics for* mixing up foreign and subsidiary companies with those which are owned privately.

Post Office pension fund deal faces cost rise

STEEPLY RISING costs are faced by the Post Office Staff Superannuation Fund on a Paris property deal. But the fund refused to comment yesterday on a report that its commitment to the Magasins du Louvre office and shop modernisation might eventually total £50m. against the £20m. the fund had first agreed to invest.

In 1972 the fund agreed to finance the development company, Argyle Securities, for what was then one of the most ambitious Paris property ventures. Argyle has since withdrawn, leaving the fund responsible for all finance and management at a time when the property market is depressed.

Mr. Michael Rivkin, Argyle Securities chairman, told an annual meeting yesterday, that the original contract between the two "clearly established that the ultimate responsibility for the financing" lay with the fund. Argyle's withdrawal earlier this year would not have altered the guarantee arrangements.

Mr. Rivkin also said that Mr. Jimmy Goldsmith's Generale Occidentale Group, which controls Argyle, was negotiating to take a lease on part of the building to use as its French headquarters.

In 1972, when Argyle bought the famous Paris department store, it was announced that the PO pension fund, which holds 15.4 per cent. of Argyle's equity, had provided a loan facility over the next five years.

The trustees of the pension fund would lend up to £4m. a year for five years at variable rates of interest. Argyle had paid Frs.126m. (about £11m. at the time) to buy the store. It aimed to create new shopping space on the ground floor and offices in the rest of the 400,000 square feet building, which has a preservation order.

IN BRIEF

Police problems

The "appalling inadequacy" of police manpower in London was a reproach to all those responsible for police affairs since the last war, Sir Robert Mark, Metropolitan Police Commissioner, told the Police Federation last night.

"Some of our problems are very serious and insufficiently understood," he said.

Ships warning

European shipyards not integrated in iron and steel or mechanical groups faced the prospect of being "wiped out by Japanese shipyards unless the EEC adopts a common shipbuilding policy," said M. Edouard Terolle, president of the French Shipbuilders' Association, in the journal Marine Week.

Accountancy

Reforms in local authority accounting methods are the subject of two draft booklets published by the Chartered Institute of Public Finance and Accountancy. They can be obtained for £1 each from the Institute at 1, Buckingham Place, London, S.W.1.

Prices order

The Price Commission has ordered Eddison Plant, part of one of Britain's largest plant hire companies, to reduce its prices by 6 per cent. over the next 12 months to wipe out £293,500 excess profit last year.

Mortgage plan

A house purchase life plan *launched by Sun Alliance and* London Insurance Group is designed to provide flexibility in mortgage repayment when the borrower moves.

Rates meeting

The Government and local authority representatives will meet on Tuesday to discuss the principle of imposing a cash limit on the 1976-77 rate support grant, and the way in which an imposition might be applied.

Burton sells shops

The Burton Group plans to close and sell 45 of its men's wear shops within six months. The group said that the sale would reduce the number of its shops to 415. Five years ago there were about 500.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● WATCHMAKING

Lightweight electronic watch

ALWAYS IN the thick of it, Sinclair Radionics is launching a major attack on the electronics watch market with a design control initiated by its own electronics engineers, which has permitted a very considerable slimming down of the package so that the finished product is much lighter and more elegant than the chunky wristfuls normally associated with the digital watch.

The £25, 30-gram watch provides hours and minutes and minutes and seconds, not at the touch of a button, but by pressing the appropriate diaphragm-covered point on the case below the display. This is a very bright LED.

Casing material is a perspiration- and moisture-resistant plastic, and it is for the moment only provided in black — hence the somewhat gimmicky name chosen—"the black watch."

The company guarantees an accuracy of within one second a day, but in practice, the watch will perform considerably better. One or two minutes a year would be the norm.

Few components

Two small mercury cells drive the unit and battery change is simplicity itself while time adjustment is via a third recessed diaphragm-covered switch at the rear

All control circuitry is in a single integrated unit containing some 2,000 active devices and all that has to be added to make the watch is a 32.768 kiloherz bar crystal, a trimmer capacitor, display and cells—plus the case.

Production is being built up rapidly and should reach 5,000 a week at St. Ives in early January. Sinclair management has gone to the U.S. in a drive to interest the American market where the digital watch boom is reaching unprecedented proportions—far outstripping the cheap calculator boom of a year or so ago.

And, it is likely to continue for some years since the integrated circuit makers see this as a new and valuable outlet not only for their technology but also for completed devices.

Beckman Instruments vice-president Leslie W. Chapin, told the Financial Times recently that his company forecast a world watch market for 1980 of 300m. units of which 100m. would be digital. Of these, 80 per cent. would use LED displays and 20 per cent. one form or another of liquid crystal. From then on the liquid crystal would grow in importance because of the very small current drain and the possibility of providing a continuous display that the LED watch could not give.

Sinclair is at London Road, St. Ives. (0480 64646.)

● COMPONENTS

Fittings for nylon tubes

PUSH-IN fittings for use with types 11 and 12 nylon tube, up to a maximum working pressure of 150 psi, have been introduced by Enots (an IMI company), P.O Box 22, Eastern Avenue, Lichfield, Staffs., WS13 6SB (Lichfield 54151).

They will be produced in metric sizes from 4-12mm and imperial from [illegible]—½-inch, and the range will include straight connectors, elbows, tees, and both BSP tube and elbow adaptors. The full range should be available early next year.

Called "Speedfit," each fitting consists of three components—the hexagonal body, the collet, and an O ring seal. The body is a zinc die-casting, painted black and the collet is of brass. The company says the joints can be broken as easily as they are made.

● COMPUTERS

Making its mark

INCOTERM, the terminal specialist company which started out with a 30 per cent. Charterhouse interest and a 60 per cent. U.S. Prudential holding—the remainder being employee-owned—is making its mark in banking, after considerable success with the world's airlines.

One of the secrets of its success is that the components it uses in the construction of terminals and other units are not avant-garde and have been available for at least three years. The reward for this insistence on reliability is an order situation in which repeats represent 50/60 per cent. of the total.

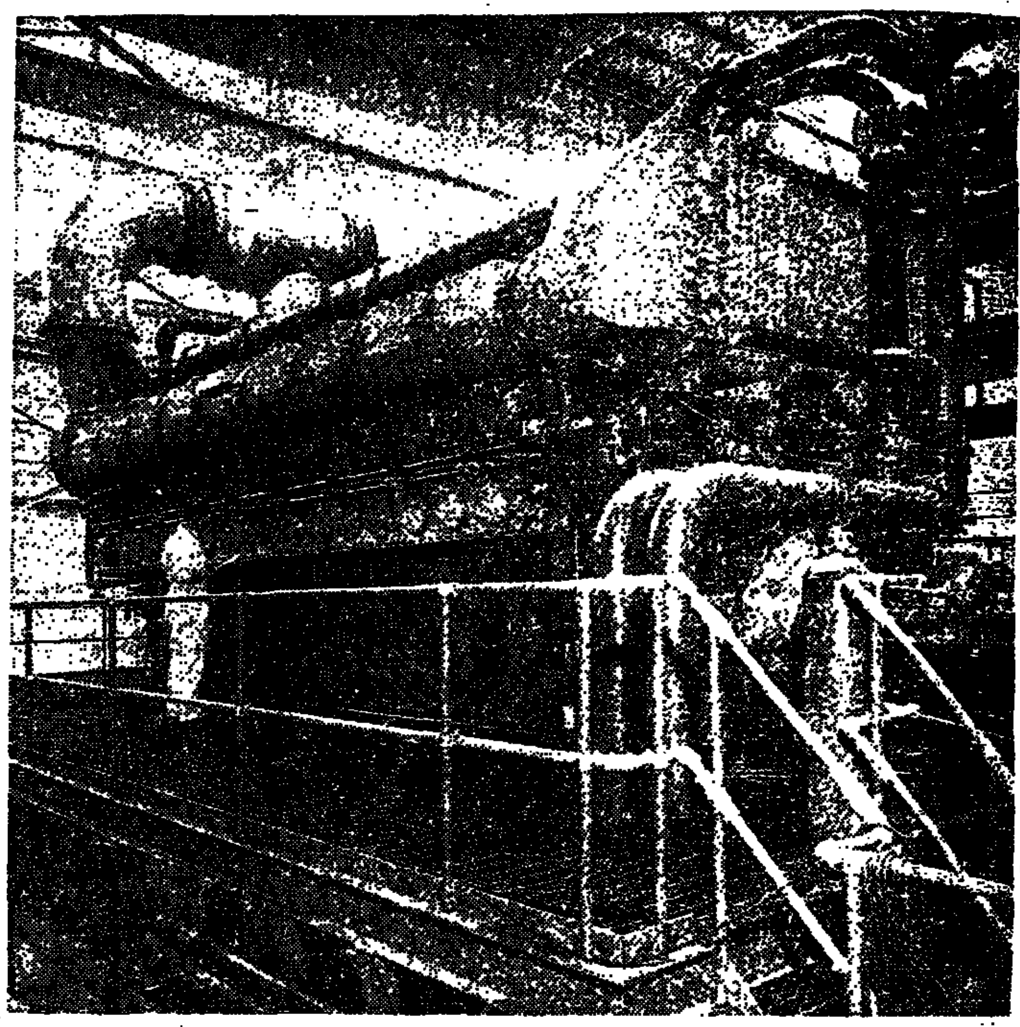
The U.K. arm of the operation has been responsible for almost half world sales in the past 12 months, booking $11m. worth of orders from the domestic market, Spain, Scandinavia and Switzerland. One result has been an expansion in the support provided with the opening of a new maintenance centre at Hayes, Middlesex.

Something like 3000 programmable 10/20 terminals have been installed world-wide and the company has added the 10/25 intelligent display terminal to the array. This has its own tiny control computer with choice of memory sizes and is also available in a smaller executive version.

Incoform describes a data capture/transaction processing system based on standard company equipment intended for use by personnel with minimal training.

It could help a first time computer user to solve a number of difficult problems particularly where down-time on the main machine is a factor which could cause a great deal of trouble. Data is captured and stored off-line on a series of floppy discs.

Incoterm is at 1 Redford Way, Uxbridge, Middlesex. (01-841 8525).



The most powerful medium-speed diesel engine so far built by the company is undergoing tests this week in the works of its builders, Crossley-Premier Engines, of Manchester, a subsidiary of Amalgamated Power Engineering. This 18-cylinder engine, driving a 12.2-MW alternator, was ordered by the Bermuda Electric Light Company as part of a £1m. contract to extend its power station in Bermuda, where two Crossley-Premier type engines driving 6.5-MW alternators have already been installed. This engine has 18 cylinders arranged in V form, is rated at 16,860 bhp at 450 rev/min, and weighs 165.6 tonnes.

● FARMING

Reduces pig farm power consumption

ACCORDING TO Pyramid Pig Systems of Malton, North Yorkshire, large savings can be made in pig farmers' electricity bills through the installation of simple control boxes that the company offers.

An additional advantage is the subsequent extended life of the infra-red and other lamps used by reducing the time they are on full power.

The 8000 series once set to the required temperature, automatically dims the lamps if the pig house temperature rises by one degree, and vice versa. The 8000F unit controls ventilation automatically as well as heat and illumination. The cost of a 5 kW unit is estimated by the company to be recouped in 16 weeks if the pig house is in continuous use.

A simpler device, the 5000, is manually operated, giving variable heat from zero to 100 per cent. More from the company on 0653 4994.

● MATERIALS

Rubber-like but easily processed

IT POSSESSES rubber-like properties, but is readily processed on conventional high speed plastics equipment and bridges the gap between a true elastomer and a true plastics material.

This is how Du Pont describes its latest material Nordel TP which it says is a low-cost thermoplastic elastomer, based on ethylene-propylene chemistry.

Costs are stated to fall between those of polyethylene and polyacetal resins.

It can be extruded, injection-moulded or vacuum-formed into both industrial and consumer products. First industrial applications have been as components for motor vehicles.

Three types of the material are available: one is a general purpose resin in the form of small black, free-flowing pellets; another, also supplied as free-flowing black pellets, is a tougher product offering a relatively high tensile strength and greater stiffness, while a third material is supplied as white free-flowing pellets which may be pigmented with any colour.

Scrap can be reground and recycled and both virgin and recovered material may be stored if kept dry.

Further information can be obtained from Du Pont at 18, Bream's Buildings, Fetter Lane, London, E.C.4. (01-242 9044.)

Versatile sealant

A SINGLE pack compound for sealing porous substrates such as cast metal, brick, stonework, cement, concrete and timber, is announced by Ultraseal, 768 Buckingham Avenue, Slough, Bucks. (Slough 26877).

Known as HA 550, the sealant is a blend of vinyl co-polymers in an organic solvent. With a specific gravity of 0.89 and a viscosity of 14 sec. Ford Cup No. 4 at 25 degrees C—similar to that of water—it is said to have excellent penetrating ability and produces a tough, permanent coating which will not crack, peel or flake. It has little effect on surface appearance and is applied by brush or spray.

When used to treat ferrous and non-ferrous castings, it seals both fine and gross porosity for pressure tight requirements and its adhesive qualities ensure locking of entrapped core sands. It provides a corrosion resistant coating on light alloys, steel and iron and serves as a base for paint finishing.

Applied to masonry, brick, concrete, etc., it affords protection against ingress of dirt and moisture and binds friable surfaces. It can be employed for preservation of fragile archaeological and geological specimens, reducing erosion and improving handling ability. Covering capacity is up to 1,000 square feet/4.5 litres.

● WELDING

Flux is in the gas

GAS-FLUXING units which are claimed to produce stronger brazing and bronze welding at a saving of up to 30 per cent. in labour costs have been introduced by CTG Developments, 8 Telford Road, Ferndown Industrial Estate, Wimborne, Dorset BH21 7QL (02017 71102).

The unit which introduces the gas flux in the acetylene pipeline between the cylinder and the torch is a small, light device, mounted in five minutes on a conventional cylinder trolley. Priced at £75, each unit is supplied with one gallon of liquid flux lasting 200 hours, free.

By the time the flux requires replenishing, the saving in time alone will have amortised the original purchase cost, the maker claims.

● HYDRAULICS

Additive improves performance

BURMAH-CASTROL Industrial's two new fire-resistant water glycol hydraulic fluids have been formulated with a polymer which has been complemented by an improved lubricity additive which give a greatly improved performance over existing water/glycol hydraulic fluids.

Extensive tests in Vickers vane pumps have proved the anti-wear properties provided by the new additive package. In a low pressure system, the recorded ring and vane average weight loss from wear during 100 hours running at a pump speed of 1,440 r.p.m., using Castrol Anvol WG 46, was 65 milligrams compared with 1,730 milligrams using a conventional water glycol fluid.

Fire-resistance of the Castrol Anvol WG fluids is demonstrated by the fact that they have no flash point unless all water is removed. They also have excellent anti-corrosion properties in both the liquid and vapour phases and the complete additive package has been carefully balanced to ensure minimum foaming and fast air release. These fluids have excellent heat transfer properties providing lower operating temperatures than mineral oils.

Burmah House, Pipers Way, Swindon SN3 1RE. 0793 30151.

● HANDLING

Pumps for corrosive liquids

A RANGE of centrifugal pumps stated to be resistant to all corrosive and aggressive fluids and suitable for the process and allied industries, is being introduced by BTR Silvertown, Horninglow Road, Burton-on-Trent, Staffs. (0283 61611).

The Ardua "F" range operates up to 1,000 galls/min. (200 ft. head) and uses the chemical resistance of Du Pont's Teflon Polyfluoroalkoxy (PFA), which offers the anti-corrosion properties of PTFE but which has a higher useable temperature range.

PFA linings are injection moulded on the pump housings and components by a technique developed by BTR, said to ensure a continuous lining without seams or welds to a thickness of between 4mm and 6mm.

The pumps are available in back pull-out, close coupled or self priming modes.

● SAFETY

Flameproof hessian

SHOPFITTERS and manufacturers of partitions who wish to use hessian as a wall covering can now get a flameproof grade of the material.

According to Ernest Turner, 11-21 Northdown Street, London, N.1, which supplies the material, it conforms to Class O British Standard fire propagation test, Class 1 spread of flame and Class P ignitability.

It is supplied in rolls in seven colours and will be marketed as Hessian 128.

LABOUR NEWS

Prudential staff may act to secure maximum rise

BY CHRISTIAN TYLER, LABOUR STAFF

PRUDENTIAL ASSURANCE employees are threatening to take industrial action from Thursday because the company has refused to offer the maximum permissible £6 pay rise to all its staff.

About 4,500 union members out of a total of 5,200 employees have voted by ballot to support the Association of Scientific, Technical and Managerial Staffs in its stand. They have threatened a work-to-rule and a ban on overtime, with further action later (if necessary).

The Prudential, traditionally first of the big insurance companies to settle, is one of the first big employers to offer under the £6 policy different amounts to different people.

ASTMS however, says that Pearl Assurance is moving along the same lines in its negotiation and there could be trouble there too.

Prudential's offer is not a breach of the policy, but the union is sticking to the TUC line that the £6 is not a maximum, but an entitlement and wants a flat-rate increase paid.

Arbitration

The dispute will be watched with interest by other insurance companies with ASTMS members and by the white-collar sector generally, where flat-rate rises upset salary structures.

Settlement moves by the Advisory, Conciliation and Arbitration Service have failed. The company said yesterday that ASTMS had refused to take the dispute to arbitration.

The company has offered those earning over £2,310 a year—about 3,000 employees—the full £6. Others would receive amounts ranging down to £4.50 a week, with juniors getting £3 to £4, the union said.

These below-maximum figures represent rises of 13.5 per cent.—the amount the cost of living has risen since April when employees had an interim increase, and October 1, the pay anniversary.

Of major groups who have settled so far this year, only the grocery workers have received different-sized increases: £5.20 and £6, according to grade.

Protest will close London museums

BY OUR LABOUR STAFF

ABOUT A third of London's 1,800 traffic wardens will be off the streets this morning and most of the big galleries and museums will be shut while workers protest at a Government offer on London allowances.

The workers' union, the Civil Service Union, said action could extend into the afternoon. Many of the 20,000 London members want to keep the museums shut over the week-end, said Mr. Les Moody, assistant general secretary, yesterday.

Security guards at a number of Government offices will join a mass meeting at Central Hall, Westminster, this morning. But skeleton staffs will be left there, at the museums, and at the House of Commons.

Buckingham Palace staff—footmen, nursemaids and others—will not leave their posts. Although members of the CSU, they are not involved in the row.

A number of doss-houses including London's biggest at Camberwell — will be closed for the morning.

The protest meeting is over the union's claim that London allowance proposals will mean a cut in earnings for many CSU members. The Civil Service Department has proposed that these allowances should no longer count towards overtime and shift rates.

All the civil service unions have rejected the London allowance offers — a £61-a-year increase in the inner zone, but nothing in the outer — and the matter is to go to arbitration.

The CSU, whose members are mainly affected by the overtime question, is fighting to prevent this issue being considered by the arbitration panel.

The Civil Service Department said it was "still considering" the terms of reference for arbitration submitted by the unions. Under the procedure arbitration can start even if the two parties disagree about what it should rule on, provided they have at least one item in common. In this case the actual amount of the offer would be the common ground of dispute.

Consultants back junior doctors

By Our Labour Staff

HOSPITAL CONSULTANTS in the North-West, focus of junior doctors' militancy in their overtime dispute, yesterday declared their unqualified support for the juniors.

The consultants' last reservations were discarded after an agreement with the juniors to rotate their work-to-rule next week so that consultants would be able to provide enough cover to prevent a disaster.

Leading consultant Mr. Derek Teasdale, whose subordinate, Dr. Wasily Sakalo is the junior doctors' militant spokesman, said the juniors had been told their proposed action was too severe, and put patients' lives at risk.

But 1,000 junior doctors in the Merseyside region have decided not to adopt a strict 40-hour week along with the 1,500 in Lancashire. A majority decided to await the result of the national ballot of juniors—due next week—on the latest overtime pay proposals.

From Monday, 50 major North-West hospitals will be hit by the junior doctors' overtime ban. Several smaller hospitals are expected to close along with a number of casualty wards.

The Birmingham and Midland Eye Hospital and two Coventry hospitals were hit by one-day strikes yesterday, halting all but emergency work.

In Northern Ireland 500 junior doctors joined the call from some areas for mass resignations in January if the dispute is not settled.

Lloyds Bank staff rejects merger

BY LORELIES OLSLAGER, LABOUR STAFF

LLOYDS BANK Staff Association has decided to turn down merger overtures made to it recently by trade unions manoeuvring for positions in the big English clearing banks, including the Association of Scientific, Technical and Managerial Staffs.

Mr. John Bealey, general secretary of the 19,000-strong staff association, said its general council had decided that the most desirable course continued to be the formation of an "Association of Banking and Finance Unions (ABFU)" by the staff associations at Lloyds, Barclays and National Westminster and the National Union of Bank Employees.

This project has been under discussion for several years, but has run into very heavy weather recently over the terms of the merger. The staff associations would like a fairly loose confederation, while the NUBE wants to create a new, centralised union.

While pursuing the goal of ABFU, Lloyds staff association has decided to tell ASTMS that they want to keep any possible mergers inside the Banking industry and see no point in getting together with a union that has a large membership outside.

This follows a discreet overture from ASTMS about merger talks, which in turn prompted NUBE to formally propose a merger to Lloyds staff association.

But the association has also decided against a separate merger with the NUBE outside ABFU, Mr. Bealey said.

The staff associations and the NUBE are to have another meeting on December 2. If the talks finally break down, the staff associations are expected to intensify their co-operation and possibly decide to merge into one single union.

Reluctant

The associations are reluctant to discuss their possible strategy while they are still officially discussing ABFU with NUBE.

The union, on the other hand, considers that the ABFU talks have virtually broken down and is already harassing the staff associations on a number of fronts.

It is considering whether to challenge the registration of both Lloyds and Barclays staff associations as independent trade unions once the Employment Protection Bill has become law.

This challenge may actually hasten the formation of one union by the associations if they find that this would strengthen their position under the law. Mr. Leif Mills, NUBE general secretary, has said that he would also also consider challenging the registration of a new union.

Ceasefire by Scanlon on postal ballots

BY OUR LABOUR STAFF

MR. HUGH Scanlon, Left-wing president of the Amalgamated Union of Engineering Workers, said last night that he had resigned himself to his union's postal balloting system remaining for a considerable time.

A move by Left-wingers, backed by Mr. Scanlon, to abolish postal balloting was challenged successfully through the courts this year by the union's Right-wing. Mr. Scanlon said that his union always accepted the decisions of judges. The system would remain in force until the policy-making national committee decided to reverse it, "if ever it does."

Mr. Scanlon was speaking on the BBC's Newsday programme opposite Mr. John Boyd, the Right-wing general secretary of the union. It was their first TV confrontation in their present roles.

The two men refused to the drawn into a fight over anything—postal versus branch voting, the Government's new industrial strategy, or the evils of Soviet Communism. They ended by saying how they must work together, despite their differences, for the union's sake.

Mr. Scanlon, a Marxist, said that change in society must come through the ballot box, not industrial action. Mr. Boyd agreed.

Both said that the Government should not impinge on the independence of trade unions by, for instance, financing postal balloting—a system which aggravated the AUEW's considerable financial problems?

Mr. Boyd said that the union must remain free and unfettered and have "as much democracy as it can afford to have."

Both agreed that the AUEW, because it insisted on elections for all officers, was the most democratic union in Britain, in spite of a media campaign against it.

Work resumes at Cowley

WORK RESUMED yesterday on the Princess line of British Leyland's Cowley assembly plant after a stoppage on Wednesday night over one man's objections to a new safety barrier.

Three hundred people on the night shift were sent home on Wednesday because the man refused to carry out his job, saying it had been made more difficult by the barrier.

Concrete works immobilised

A STRIKE by 16 lorry drivers who deliver sand and gravel has brought eight concrete making plants in the West Midlands to a standstill. The drivers, who are seeking increased pay and more holidays, work from five sand and gravel pits in the area owned, like the concrete plants, by the Amey Roadstone Corporation.

Force through Industry Bill, says NUJ chief

THE GOVERNMENT should not shrink from using the Parliament Act, if necessary, to ensure passage of the Trade Union and Industrial Relations (Amendment) Bill despite objections by the House of Lords, Mr. Ken Morgan, general secretary of the National Union of Journalists said in Leeds yesterday.

He told the North-Eastern conference of the Institute of Public Relations: "The Government, the Commons, and the NUJ, too, have met all reasonable concern about Press freedom.

"What the House of Lords, led by Lord Hailsham and Lord Goodman, is now pressing, is a final determined attack on the NUJ's right to organise like any other trade union.

"Bourbon courtiers learnt nothing and forgot nothing. A majority of the Lords have learnt nothing from the folly of the 1971 Industrial Relations Act.

"They appear to have already forgotten the chaos it caused in labour relations throughout British industry.

"The present course of the 182 peers—118 of them hereditary ones—who supported Lord Hailsham's amendment, is an attempt to salvage a remnant of that disastrous Act and turn it against one union only—the NUJ."

He said a constitutional problem could and should be avoided by compromise but the compromise had already been made by the Government and the Commons. It was time for the Lords to recognise this.

Wade favourite for NGA general secretaryship

BY OUR LABOUR REPORTER

MR. JOE WADE has emerged as the clear frontrunner to succeed Mr. John Bonfield as general secretary of the National Graphical Association. A secret ballot is to be held shortly.

Mr. Wade, aged 55, has been the NGA's assistant general secretary since 1968, and branch nominations show him to be the firm favourite in the contest for the top job.

A total of 15 NGA branches support his candidacy, while his two challengers have only three nominations between them.

Mr. George Jerom, a branch official in the London area, has the backing of London and Watford Branches; and Mr. R. C. Allen has been nominated by Kent Branch, of which he is secretary.

The result of the ballot is expected before Christmas. Mr. Bonfield, 61, has not yet revealed the date of his retirement. He may delay his departure until after the NGA's biennial conference next June. Mr. Bonfield announced several years ago that he intended to retire early from a post he has held since 1968

Witney workers plan half-day stoppages

THE 900 manual workers at Smith's Industries, Witney, Oxon., are to begin a half-day a week strike to-day because the company refuses to accept short-time working as an alternative to redundancies.

They say they will start a 4½-day working week, which will mean a strike every Friday afternoon.

Mr. Bert Edmunds, convener for the Amalagamted Union of Engineering Workers, said they were angered by the company's decision not to allow more time for volunteers for redundancies. Notices were served on Thursday last week on workers, telling them they were to be made redundant.

Mr. Edmunds said that 36 people had already agreed to go and more time should be allowed to see if the total set by the company, 60, could be met by volunteers.

Ex-TUC chairman urges day nurseries drive

A CALL to individual firms to get together to provide day nurseries for their workers' children if local authorities could not cope was made yesterday by Mrs. Marie Patterson, immediate past chairman of the TUC General Council and national women's officer of the Transport and General Workers' Union. She claimed her idea would be better than companies' running separate nurseries, because this might mean a "one-parent family man or woman" tied to the job for that reason only.

Mrs. Patterson told an International Women's Year talk at the Family Planning Association headquarters in London that the TUC was convinced that a lack of day nurseries was a serious problem for workers, particularly women.

She called on parents to campaign for more nurseries through unions, women's groups, local authorities and other organisations.

In Romania and Russia there were three kinds of day-care facilities for children—part-time, full-time and Monday-to-Friday—and the third category was more extensive than the other two for children of a year old upwards. But she did not think that category would be popular in Britain.

The Institute of Directors at The Albert Hall

Directors in sombre mood

Fresh from the talks at Chequers, Lord Watkinson, deputy president of the Confederation of British Industry, caught the mood of the annual convention of the Institute of Directors yesterday with his appeal for the nation to get "back on the middle ground."

His chastening message was that economic collapse was so near that the Government, trade unions; and management had to pull together struck home.

Compared with the high spirits of former years, the atmosphere at the Albert Hall was somewhat restrained.

Attendance was sparse, with fewer than 2,000 directors arriving compared with the 5,000 who crowded the hall 12 months ago to pay a final tribute to Sir Richard Powell, retiring after 21 years as director-general.

The Institute blamed the economic recession and bomb scares for the low turnout.

In spite of the economic gloom there were speakers to raise the spirits of the faithful with praise of the work of directors and the virtues of the free enterprise system. And there was the traditional boxed lunch—complete with one-third of a bottle of Lirac Rosé—which the directors ate at their seats.

"Our distinguished visiting speakers are usually praised, but our lunch boxes are criticised," said Lord Erroll, chairman of the Institute. The boxes at least were "almost the same" as those used by the Transport and General Workers Union at its annual conference.

The only woman speaker, Mrs. Shirley Williams, Prices Secretary, was given a warm reception and any barracking of her suggestion that taxation encouraged the reinvestment of profits was muffled and refined.

Mr. John Garnett

Role of free enterprise 'must be recognised'

THE GOVERNMENT should recognise the "leading role" that free enterprise should play in Britain's economic recovery, Lord Watkinson, deputy president of the Confederation of British Industry, told the conference.

He maintained that through the National Economic Development Council the machinery already existed to ensure a united effort from all sections of the community.

The time had come for "a new relationship" between workers and management to replace "the old mythologies of master and man."

"If the Government wants free enterprise to go on saving our country from going bust, it must give us an occasional pat on the back and stop kicking us in the teeth all the time. It does not seem much to ask when the whole future of our nation is at stake.

"In return, we must put our backs into the job of making our businesses more efficient and more productive with the full co-operation of all who work with us.

"Let us make a start where all successful revolutions have started—at the grass roots of society.

Primary duty

"Our primary duty as directors is to base our own plan for industrial recovery on the secure foundations of unity and leadership in our companies and thus pave the way for success for Britain as a whole.

"More resources must be channelled into productive industry. Prices must be freed of detailed controls to increase the cash flow of industry for new investment.

"Greater incentives must be provided for exporters and the witch hunt against multi-national companies must stop.

Lord Watkinson

"If one examines and analyses the industrial mistakes that we have made in Britain, whether at plant or at Government level, they all seem to me to spring from this failure to replace the old mythologies of master and man or employer and employee by a new relationship which is entirely people-oriented.

"This relationship is the only one applicable to a world in which everyone to-day is educated and instructed to be questioning, to be critical and to accept that to-day's aspirations will be translated into tomorrow's entitlement.

"We should also strive to see that the Government, and perhaps some trade unionists, understand more clearly that the real thinking is on the floor of the shop.

"For example, all the evidence seems to show that the vast majority of workers to-day are looking for a national lead towards increased efficiency and productivity leading to a high-output, high-earnings economy.

"That they would like to participate more at company and shop floor level in achieving this higher level of output and rewards, but they are not at all keen on having seats on the Board of the company or of getting involved in difficult management decisions on finance or investment.

"Despite what some Left-wing activists say, very few workers believe they are treated badly by their employers or that they are dissatisfied with their working conditions.

"The Government should now call for a new united effort from the nation. It is I believe, their clear duty to do this.

"If they are willing to recognise the leading role that free enterprise has to play in this drive for recovery through a high-earnings, high-output economy, then we should back this initiative with all the strength and vigour at our command.

"We have the right kind of machinery for this co-operation which will only thrive on hard practical action and not exhortation.

Machinery

"This machinery is the National Economic Development Council and its close relationships with sector development councils, trade associations and all the rest.

"Here, at national level, is the forum where free enterprise, nationalised industries, the City, the trade unions should now get together to tell the Government what needs to be done to get our country right and to offer their willing co-operation.

"The Government for its part must make it plain that they will take the necessary decisions, however politically difficult or unpopular they may be."

Price and pay policy essential part of plan, Williams says

A PRICES and incomes policy was an essential part of the Government's counter-inflation strategy, Mrs. Shirley Williams, Secretary of State for Prices, told the conference.

However, under future price controls far more emphasis would be placed on investment than in the Price Code she had inherited.

"There is a growing consensus that the hoped-for world upturn will not come as early as was predicted in some quarters. Next year will probably see the recovery in output and trade emerging at a good steady pace, but it will be well towards the end of the year before Western industrialised countries come up to the levels of trade and output reached in the autumn of 1974.

"In the U.K. capacity utilisation in industry to-day is as much as 20 per cent. below what it was in 1973, and for the OECD area as a whole production in the first quarter of 1975 was 10 per cent. below the average of the last two quarters of the 1973 level.

"There is no single simple way of conquering inflation. What is clear is that an appropriate prices and incomes policy is an essential part of counter-inflation strategy.

Mrs. Shirley Williams

Compassionate

"Whatever our faults as a society, it is no fault to be compassionate in managing the economy. Our prices and incomes policy remains the best means of minimising the pain of reversing the inflationary spiral.

"By acting directly on our domestic costs, we can impose a brake on inflationary pressures without relying exclusively on unemployment.

"The present levels are very disquieting. Redundancy pay and wage-related unemployment benefit may soften the blow for a few months but unemployment that is other than transitional between jobs remains a disaster for the individual and families affected, so we need to move as quickly as possible to the point where action to increase employment can be taken. Controlling inflation is quite simply a pre-condition of that.

"The first three months of our counter-inflation policy have been a great success.

"Over 1½m. people have negotiated settlements within the policy. In addition, eight Wages Councils covering some 600,000 workers have agreed proposals for increases in their statutory minimum rates which are within the £6 limit.

"Thus important contributions to the fight against inflation have been made by both large and well-organised groups and by some of those in the traditionally weaker and less well-organised sectors.

"At a time when people are making a real contribution towards the inflation target by keeping within the £6 pay limit, it is vital for us to do what we can to bring forward the benefits of pay restraint on the most important items of family expenditure. I am now engaged in negotiating a price restraint scheme with industry and the retail trades.

"It is not my intention to make any fundamental changes in price controls before the end of the current phase of the pay and prices policy, which lasts only until next summer.

"I continue to believe that it would be extremely foolish to make any such changes now, because, as the Government made clear in the White Paper, The Attack on Inflation, it is essential to keep price increases to a minimum and to maintain the strict control of the Price Code and the Price Commission.

Too early

"I would not wish to extend existing powers until their expiry in July, 1977, but obviously a prices policy must be closely related to how the economy develops.

"It is frankly too early to say at this stage what the shape of future price controls will or should be after the summer of 1976. I do not believe that the abolition of the Price Code will solve all our economic problems overnight.

"The form of price controls for the future must be tailored to the economic conditions which are expected to prevail; that means for more emphasis on investment than there was in the Price Code I inherited.

"Yesterday, the Government launched a major new industrial strategy in agreement with the TUC and CBI.

"The centre-piece of this strategy is the regeneration of British industry. The task is to release the necessary resources for much higher levels of investment, and the Government will do all it can to ensure a more effective return on its own investment."

Britain's financial institutions had a key role to play in lifting the new industrial strategy off the ground. "If the failure of the private sector to grow faster has been a serious constraint on our economic performance in the past, it is clear that the success of our industrial strategy depends on a more successful private sector in the future.

"The Government has made clear that it will act to enable an effective and profitable private sector to thrive.

"It is often said that the Price Code inhibits investment because it limits profits. It was for this reason that in the past I introduced the investment relief in the Code.

"And in the future we must see if we can build on the view held both by management and unions that investment is exceptionally important," Mrs. Williams said.

Profits 'vital but not everything'

INDUSTRY had to communicate to the public that it contributed more to the community than just profit, Mr. John Garnett, director of the Industrial Society, stressed.

"There is a need to bring home to all who work in our enterprises, to pupils and teachers in schools, students in universities and to the community at large, what we in industry and commerce are trying to do.

"We are continually misunderstood when we say that we are in it for profit. This in common parlance means apparently that we are motivated by self-interest, personal gain and materialism; but this is simply not true.

"The aims and objectives of a company as set out under the Companies Act when the companies registered are not just to make a profit. They are to carry out activities.

"Of course, adequate profits are vital and it is an increasing challenge to achieve them and not fall back on the taxpayer for help.

"Do we, however, make it clear in our annual report to employees and on other public occasions that by our previous year's work we have achieved much more for the community than making a profit?"

Ambassador urges negotiations between rich-poor countries

A CALL for dialogue and negotiation to defuse the potential confrontation between rich and poor countries was made by Senhor Roberto de Oliveira Campos, the Brazilian Ambassador.

"In the industrialised world, the energy crisis brought about an increasing realisation of the finiteness of raw material resources — the "limits to growth." In the developing world, it roused the consciousness that through cartelisation and market co-ordination, raw material producers could aspire to participate in the decision-making process in world trade, rather than resigning themselves fatalistically to the position of price-takers.

"There have been, of course, painful disappointments since many developing countries overrated their newly acquired bargaining power. For one thing, oil is a very special commodity indeed, and the OPEC model of producers' cartel cannot be applied with the same degree of success to other products, when producers are more numerous and widespread, product-substitution easier, storage costs high, and foreign exchange shortages hamper the observance of marketing discipline.

"For another thing, the adjustment process to the oil deficit took a perverse turn; most industrialised countries managed to close their payments gap by diminishing imports through recession and/or by raising prices of manufactured exports. In either case, the great losers in the process were the non-oil developing countries, whose deficit increased *pari passu* with the narrowing of the trade gap of industrialised countries.

"Be that as it may, there is a growing feeling in the poorer countries that they need, and deserve, a better deal in world trade.

Guarantee

"In the throes of the present recession, the industrialised countries have resorted more and more to what Professor Ralph Dahrendorf calls the Thalidomide of protectionism attempting to reduce their unemployment by exporting it to the poorer countries.

"Commodity agreements aiming at stabilising prices and/or incomes of primary producers, have been only reluctantly accepted, industrialised countries showing more interest in the 'guarantee-of-supply' aspect for the sake of consumers than in the 'guarantee of income' features to benefit the producers. No wonder then that primary producers turn to often naive cartelisation efforts in order to improve their bargaining power.

"No wonder also that, although some of them—precisely the poorest ones—have been grievously hurt by the rise in oil prices, they entertain a grudging admiration for the ability of the OPEC countries to 'challenge the established order,' thus moving from a passive price-taking role to an active price-making position in world trade.

"Examples could be multiplied of the unevenness of the present international order with its 'equal treatment of unequals.' It is incumbent upon us to defuse, through dialogue and negotiation, this potential for confrontation."

City is 'supporter of industry and organiser of markets'

SIR ERIC FAULKNER, chairman of Lloyds, launched a fierce defence of the City of London.

The City—far from diverting funds from industry—was the supporter of industry, the provider of services, the organiser of markets, and beneficial to the country, Sir Eric maintained.

"Therefore, I hope you will feel, as I do, that whatever its shortcomings it is an area whose independence and continued freedom from statutory regulation is something which industry in its own interest should seek to see preserved."

Discussing criticisms that the City had failed industry in recent years, he pointed to the fall in retained profits as the main cause of the drop in capital investment. Retained profits were the normal source of finance for capital investment but they had declined sharply in industry and commerce.

"A fall in profitability, reducing retained profits, not only deprived manufacturing industry of its main source of funds for new capital investment, but it also sapped the confidence of industrial boards and executives.

"No board can authorise expenditure on new plant unless it is shown to be justified by the expected return on that new plant.

"The fall in profitability sapped too the confidence of the professional investors, who also have to justify an investment by the anticipated return on it. It even began to affect the confidence of the short term lenders, the banks, who lend to industry largely unsecured and, therefore, have close regard to the borrowing company's profit record and prospects."

Sir Eric insisted that the erosion of profitability of companies—by heavier and heavier taxation, by exorbitant wage demands, by the inflation of all other costs, was the fundamental factor which threatened this country's chances in a highly competitive world.

"This cannot be said too often or too loud. It must be driven home to all political parties, to employees and their trade unions, to the media, and to the general public."

Sir Eric maintained that investors had to have confidence in the viability of industry—"And that means its profitability." Real leadership was needed to get this message over to the British people.

The institutions were often charged with preferring to invest overseas rather than in the U.K. but this accusation was disproved by the facts, said Sir Eric.

"Over the last five years total U.K. private sector investment overseas has averaged £1,200m. a year. The vast majority of this was direct investment, that is to say investment by British companies in existing subsidiaries, branches or associated companies aboard. Moreover, most of this direct investment came not from fresh funds sent abroad, but by the re-deployment there of profits earned and retained overseas.

"Last year, private sector profits and dividends from abroad exceeded £2,900m. and the City's invisible exports were over £800m. So at £3,700m. the overseas earnings of the private financial sector were three times the £1,200m. which is the average annual sum being invested, or re-invested abroad."

Sir Eric rebutted the criticism that money had been diverted into property at the expense of manufacturing industry. He thought the blame for industry's shortage of long-term funds lay with the Government.

"It is sometimes alleged that high interest rates have deterred borrowers. If this is true, it is certainly not true of Government and the public sector. The Government's need for finance is enormous. The national debt is immense and continues to mount. If you compare it, relative to the Gross National Product with that of other countries, it is half as high again as in the U.S. and it is nearly five times as high as in Western Germany.

"Despite greatly increased revenue from taxation, Government must borrow more and more to cover its immense deficits.

"In 1973-74 Government increased its sterling borrowing outside the banking sector by nearly £1,800m. In 1974-75 it increased by another £3,275m. Heaven knows what it will be in this financial year.

"To achieve this borrowing Government must attract private savings. The exemption of Government Stock from Capital Gains Tax was deliberately intended to attract the private investor. It has done so.

"If you industrialists are indeed short of long-term funds, surely it is at the door of Government that your plaint should be laid, rather than at the gates of the City of London.

"It is Government's failure to control inflation which has so dangerously eroded your profitability and reduced the retained profits from which most new capital investment traditionally comes, as I have pointed out.

"Inflation is not a plague inflicted by God. Inflation is, as it has always been, man made. A creation of man's materialism and self indulgence, it can be controlled only by man's self discipline.

"To get this recognised by the British people requires courageous leadership. It can be done. It must be done." Sir Eric declared.

London Clearing Banks' balances

at October 15, 1975

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. Tables 1, 2 and 3 are prepared by the London clearing banks. Tables 1 and 2 cover the business of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the banking sector. Table 3 cover the parent banks only. In this, it is comparable with the figures produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit control. Minor differences here arise from the exclusion from the clearing bank figures of Coutts, a subsidiary of National Westminster but a clearing bank in its own right.

TABLE 1.
AGGREGATE BALANCES

	Total outstanding		Change on month	
LIABILITIES	£m.	£m.	£m.	£m.
Sterling deposits:				
U.K. banking system	2,919		+127	
Other U.K. residents	22,585		+300	
Overseas residents	1,510		− 9	
Certificates of deposit	1,639		+ 1	
		28,653		+ 419
of which: Sight		10,381		+ 213
Time (inc. CD's)		18,272		+ 206
Foreign currency deposits:				
U.K. banking system	2,489		+ 20	
Other U.K. residents	589		+ 71	
Overseas residents	7,144		+286	
Certificates of deposit	1,002		+ 30	
		11,224		+ 407
Total deposits		39,877		+ 826
Other liabilities*		6,135		+ 239
TOTAL LIABILITIES		46,012		+1,065
ASSETS				
Sterling				
Notes, coin and balances with Bank of England		959		− 87
Market loans:				
Discount market	1,532		+109	
U.K. banks	4,248		+ 26	
Certificates of deposit held	620		− 11	
Local authorities	1,107		+ 43	
Other	305		− 21	
		7,822		+ 136
Bills:				
Treasury bills	1,464		+ 28	
Other bills	696		− 49	
		2,160		− 21
Special deposits with Bank of England		658		− 6
Investments:				
British Government stocks	1,806		+156	
Other	1,054		+ 20	
		2,860		+ 176
Advances:				
U.K. private sector	13,882		− 54	
U.K. public sector	250		+ 88	
Overseas residents	1,817		+ 34	
		15,949		+ 68
Other sterling assets*		4,005		+ 287
Foreign currencies				
Market loans:				
U.K. banks and discount market	2,817		+ 15	
Certificates of deposit held	216		+ 4	
Other	3,708		+187	
		6,741		+ 206
Bills		25		− 3
Advances:				
U.K. private sector	1,398		+ 43	
U.K. public sector	845		+ 17	
Overseas residents	2,125		+ 79	
		4,368		+ 139
Other foreign currency assets*		465		+ 70
TOTAL ASSETS		46,012		+1,065
Acceptances		282		+ 7

* Includes items in suspense and in transit.

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES

	TOTAL Outstanding	TOTAL Change on month	BARCLAYS Outstanding	BARCLAYS Change on month	LLOYDS Outstanding	LLOYDS Change on month	MIDLAND Outstanding	MIDLAND Change on month	NATIONAL WESTMINSTER Outstanding	NATIONAL WESTMINSTER Change on month	WILLIAMS & GLYN'S Outstanding	WILLIAMS & GLYN'S Change on month
LIABILITIES	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
Total deposits	39,877	+826	10,531	+259	7,581	+178	7,746	+107	12,489	+256	1,530	+ 24
ASSETS												
Cash and balances with Bank of England	959	− 87	273	− 46	166	− 27	205	− 34	287	+ 14	28	+ 6
Market loans:												
U.K. banks and discount market	8,597	+150	2,066	+121	1,949	+117	1,437	− 74	2,865	+ 28	280	− 42
Other	5,966	+192	1,365	+ 55	1,238	+ 27	962	+ 50	2,076	− 5	325	+ 65
Bills	2,185	− 24	507	− 21	643	− 32	516	+ 25	467	+ 15	52	− 11
Special deposits with Bank of England	658	− 6	199	− 1	106	—	131	—	201	− 5	21	—
British Government stocks	1,806	+156	434	+ 2	454	+ 82	340	+ 23	551	+ 30	27	− 1
Advances	20,317	+207	5,838	+ 54	3,133	+ 10	4,187	+ 14	6,302	+121	857	+ 8

TABLE 3. CREDIT CONTROL INFORMATION (Parent banks only)

	TOTAL Outstanding	TOTAL Change on month	BARCLAYS Outstanding	BARCLAYS Change on month	LLOYDS Outstanding	LLOYDS Change on month	MIDLAND Outstanding	MIDLAND Change on month	NATIONAL WESTMINSTER Outstanding	NATIONAL WESTMINSTER Change on month	WILLIAMS & GLYN'S Outstanding	WILLIAMS & GLYN'S Change on month
Eligible liabilities	18,683	+267	5,843	+ 82	2,810	+ 40	4,045	+ 92	5,326	+ 43	657	+ 10
Reserve assets	2,499	− 23	765	− 17	361	− 40	572	+ 37	709	− 9	92	+ 6
Reserve ratio (%)	13.4	− 0.3	13.1	− 0.5	12.9	− 1.6	14.1	+ 0.6	13.3	− 0.3	14.0	+ 0.7

Competition 'important'

THE IMPORTANCE of competition was the theme of Mr. Graham Hill, the former world champion racing driver, in a light-hearted speech to the conference.

He recounted his experiences, setbacks and achievements as a racing driver and put the emphasis upon determination to succeed and the ability never to accept defeat.

There are too few leaders says Lord Drogheda

LORD DROGHEDA, president of the Institute of Directors, echoed the theme of the convention—"leadership." This was a commodity scarce at the moment but in great demand, he said.

Stressing the role in the Institute had to play in offering leadership to the nation, Lord Drogheda paid tribute to two of the men who had raised the organisation to a position of strength.

Lord Renwick, with his belief in private enterprise, had been "a constant guiding light." Sir Richard Powell, who retired at the end of last year after 21 years as director-general, had provided the initiative responsible for the growth of the Institute.

Turning to the future, Lord Drogheda said that Mr. Jan Hildreth, the new director-general, was a man with the imagination and vision necessary at the present time.

'Directors must give the lead'

LORD ERROLL, chairman of the Institute of Directors, stressed that Government policies could only succeed if directors gave the necessary business leadership.

Lord Erroll said: "While everyone employed in an enterprise, from the bottom to the top, contributes to its success, the directors of the enterprise carry a unique responsibility.

"It is their decisions, correctly made, which ensure success, or their decisions wrongly made or never made at all, which bring about eventual downfall.

"Furthermore it is directors—and not managers, however good they may be—who carry the ultimate responsibility for the use and deployment of virtually all the venture capital in the country. And it is the directors who take the final decision on the allocation of profits as between the needs of the company and the servicing of the money already invested.

"Small wonder then that directors appear on so many pages of the Companies Acts and can be liable for so many penalties.

"There are those who say that directors are a pretty useless lot of people and should be swept away and the managers left free to run the businesses. But that would solve nothing. A director is defined legally as a person who performs the duties of a director. So the managers would become directors, and as before, although as in Animal Farm the faces might have changed a little, it would still be directors who would continue to carry these special responsibilities."

Lord Erroll continued: "We are envied because we are industrial and business leaders and therefore appear to have a power which the other workers do not possess. So this power is demanded for all—for both workers and politicians—though without accepting the continuous responsibility which we have to carry all round the clock, at weekends and during holidays as well.

"We are envied for our incomes, and in some cases for our wealth, although our real earnings are being mercilessly eroded by inflation and taxation. The £20,000 a year managing director now has, after tax, no more than the take-home pay of three or perhaps four of his skilled shop floor employees. I hope that the Diamond Commission in its next and overdue report will make this erosion of differentials abundantly clear.

"As individuals, we directors do not much like extolling our own virtues or moaning in public about our problems. Our case tends to go by default.

"This is where the Institute comes in. The Institute consists of some 40,000 individual company directors and associate members. There is no corporate membership.

"The Institute is speaking up on behalf of all directors, whether they are members or not.

"We are not the bosses trade union, making demands at the expense of others, as so many trade unions do. We are not a closed shop, keeping out by restrictive examinations or other devices those who would like and are able to take on the special duties and responsibilities of a company director.

"We are a free association of likeminded people sharing common interests and, above all responsibility for leadership."

CBI INDUSTRIAL TRENDS

Manufacturers see more hopeful signs

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THERE ARE several indications that *manufacturing industry as a whole is at or close to the trough of the present demand cycle in the latest industrial trends survey produced by the Confederation of British Industry.*

And the consumer goods sector is showing "tentative signs" of *emerging first from recession.*

The other main features of the October survey, which involved companies employing more than *1m. people and accounting for* about half of the U.K.'s manufactured exports are:

● Optimism about the general business situation remains weak, although deteriorating less rapidly;

● A low level of activity remains *very widespread with, for only* the eighth time in 56 surveys since 1958, more than seven out of ten companies working below a satisfactory full rate of operation;

● Investment intentions are low but not so low as in recent surveys;

● The reduction in manufacturing employment is continuing;

● Increases in unit costs are yet again widespread while price *increases show further signs of* moderating;

● Optimism about export prospects over the next 12 months *has improved slightly but relative prices threaten to limit new* overseas orders for more than six out of ten exporters;

● The corporate liquidity position has improved compared with a year ago for about half of manufacturing industry (but still deteriorated for one-third) but can by no means be *described* as satisfactory.

Discussing the results, the CBI insists that although there is *some evidence in them that a* turning-point in the utilisation of manufacturing capacity may have been reached, "it is important that this should not be misunderstood."

Industry is experiencing the effects of deep recession, points out the Confederation, "and this situation will change only slightly in the immediate future. Any stabilisation will owe more to stocks than to the underlying strength of renewed demand for capital goods, consumer goods or *exports. Nevertheless,* the prospect is also becoming a little brighter in each of these categories."

The signs of revival at the lighter end of industry serve to underline the arguments it put forward earlier this year against *any fiscal stimulus to consumer* spending. "The need to reduce inflation and to correct the balance of payments position" is *still paramount."*

The CBI warns that the survey indicates that the volume of manufacturing investment in 1975 will be low and lower still next year.

Lip service

"Major changes are needed if a satisfactory level of manufacturing investment is to be achieved in the medium term. Dirigisme provides no answer and, as comments accompanying *replies to this and previous sur*veys show, fears of such intervention serve only to limit investment authorisation. As we have so frequently argued, Government must pay more than lip-service to the concept of a profitable private sector for prospective profitability lies at the heart of the investment decision."

The time is ripe for the Price Code to be abolished or, at the very *least, fundamentally* changed, the CBI insists. "The immediate ability of companies to pass on price increases is *limited by market conditions but* the attraction of future investment under consideration now in order to be ready to meet the next expansion of demand, would be enhanced."

The results of the special question on corporate liquidity —previously asked in October 1974 and in April this year—do not suggest that all is now well on that particular front. One third of manufacturing industry reports a deterioration even compared with the extremely difficult position of a year ago and where an improvement has been achieved this will, to a very significant extent, reflect *reduced investment in fixed and* working capital and lower employment. "Many companies are seriously worried about how to *finance increased working capi*tal requirements when activity picks up."

The CBI points out that cost *increases "are still being re*ported on a remarkably high scale." On the export side "improved confidence will not last *long if companies' ability to com*pete in still generally depressed markets is further constrained by deteriorating price competi*tiveness."*

These facts combine to emphasise the need to ensure that the Pay Policy works to the full *extent. Any pay increases, within* the specified ceiling, must be consistent with the ability of the company to improve, or at least maintain, its competitive position in domestic and foreign markets.

There is an alternative, the CBI warns. But this would involve companies making "substantial reductions in employment."

"The trend towards lower employment will be shorter-lived *and less substantial if pay infla*tion is successfully moderated."

The survey showed a very substantial balance of respondents reporting and forecasting reductions in employment although the number was lower than in the July survey.

Consistent with this picture only 12 per cent. of companies expect output to be limited over the next four months because of skilled labour shortages—the lowest figure in four years and among the lowest on record

The 2 per cent. fall in manufacturing employment between *March and June that was ex*pected on the basis of the results of the July survey is now supported by official statistics. *"The fall between May and* September now seems also likely to approach 2 per cent.," says the confederation, "and on past *relationships, there is likely to* be a further significant fall, perhaps to the order of 1.5 per cent., between September and *January."*

Overall, the survey reveals a "somewhat less gloomy" mood among respondents than has *been the case over* the past year or so. "Nevertheless, pessimism still outweighs optimism in each of the four size groups and each of the nine broad industry groups".

Pessimism is less pronounced that at any time in the past two years among the manufacturers of consumer goods, however.

Below capacity

The proportion of companies working below capacity has fallen from 75 per cent. in July to 73 per cent. *"The difference* is only a small one but it does represent a shift in direction—unused or underused capacity has been increasing since July 1973."

And to back its contention that the bottom of the demand trough might have been reached, the CBI states: "Examination of the series dating back to 1958 shows that there have hitherto been a few false dawns."

Some 83 per cent. of companies expect output to be constrained over the next four months because of a shortage of orders or sales. *This compares* with 82 per cent. in the July survey and a record 84 per cent. in January, 1972, at or close to the turning-point of the last recession.

About 55 per cent. of manufacturing industry has less than four months' orders *on hand* compared with 48 per cent. in the July survey.

On the other hand there are signs that the *deterioration* is slowing.

As forecast in July, destocking of raw materials and brought-in *supplies has been widespread* over the past four months. The trend will continue at least in the short term.

On the investment front the picture is improving although the survey results are consistent with low capital spending.

A balance of 52 per cent. of companies report an increase over the past four months in average prices at which domestic orders are booked—the lowest figure for two years.

A balance of 61 per cent. of participants expects an increase in the short term in domestic prices.

Companies have become less pessimistic about export prospects for the next 12 months. Trends in the value of new export orders have remained weak, but not as weak as in the first six months of the year.

For industry as a whole export expectations are brighter than they have been over the past 15 months and this is especially true of the consumed goods sector.

However, prices in comparison with those of overseas competitors have become a more *frequently itemised potential* short-term constraint on the ability of exporters to obtain new orders. This factor is men*tioned* by 83 per cent. of respondents compared with 58 per cent. in July. The current figure is close to the highest on record—*67 per cent. in June 1971*—and well above the average for the 11-year series of 47 per cent.

Liquidity

As for corporate liquidity, the *change between* October 1974 and October 1975 is shown to have been rather better than was expected six months ago—"doubtless reflecting the substantial curtailment of fixed and working capital that the survey has indicated."

The CBI maintains that this should not distract attention from the fact that only half of manufacturing industry has been able to achieve an improvement in net liquidity on "what is known to have been an exceptionally-unfavourable base period." One third reports a *deterioration.*

As on previous occasions, respondents reporting or expecting a deterioration in their liquidity position were asked if possible to specify action taken in response to this. Fewer did so this time than 12 or six months ago. Of those measures referred to, destocking was again the most frequent while, comparing October 1975 with October 1974, the proportion of total references to reducing fixed investment was halved but to reducing employment doubled.

Details of trends

TOTAL TRADE—1,923 respondents. All figures are percentages based on a weighted sample. Figures in parentheses show the response to the survey carried out last August.

	More	Same	Less
Are you more or less optimistic than you were four months ago about the general business situation in your industry	12	58	30
	(7)	(50)	(42)

Do you expect to authorise more or less capital expenditure in the next 12 months than you authorised in the past 12 months on:	More	Same	Less	N/A
(a) Buildings	13	32	44	11
	(12)	(26)	(51)	(11)
(b) Plant and machinery	25	35	40	1
	(23)	(29)	(47)	(1)

	Yes	No	N/A
Is your present level of output below capacity (that is, are you working below a satisfactorily full rate of operation)	73	25	2
	(75)	(23)	(2)

Approximately how many months production is accounted for by your present order book or production schedule:

Less than 1	1-3	4-6	7-9	10-12	13-18	More than 18	N/A
13	42	13	4	3	3	4	18

Excluding seasonal variations, what has been the trend over the past four months, and what are the expected trends for the next four months with regard to:

	Trend over past four months: Up	Same	Down	N/A	Expected trend over next four months: Up	Same	Down	N/A
Numbers employed	11	33	57	—	6	55	39	+
	(7)	(34)	(58)	(—)	(8)	(46)	(46)	(—)
Value of total new orders	25	32	39	4	25	49	22	5
	(20)	(27)	(48)	(4)	(23)	(44)	(29)	(5)
of which: (a) Domestic orders	24	32	40	4	21	49	26	5
Value of output	42	31	27	1	44	38	16	1
	(42)	(29)	(28)	(1)	(38)	(42)	(19)	(1)
Value of domestic deliveries	36	33	29	1	37	42	19	2
Stocks of: (a) Raw materials and brought in supplies	18	36	44	2	13	50	35	2
	(19)	(33)	(45)	(2)	(10)	(48)	(40)	(2)
(b) Finished goods	20	39	32	9	19	47	24	10
	(24)	(36)	(29)	(11)	(14)	(46)	(30)	(11)
Average costs per unit of output	85	12	1	1	81	16	2	1
	(89)	(9)	(1)	(1)	(85)	(13)	(1)	(1)
Average prices at which domestic orders are booked	57	35	5	2	63	32	2	3
	(62)	(29)	(5)	(4)	(68)	(24)	(4)	(4)

What factors are likely to limit your output over the next four months. Please tick the most important factor or factors.

Orders or sales	Skilled labour	Other labour	Plant capacity	Credit or finance	Materials or components	Other
83	12	2	7	5	8	4

Factors likely to limit your capital expenditure authorisations on buildings, plant and machinery over the next 12 months.

(a) I have adequate capacity to meet expected demand	84
(b) Although I have adequate capacity, I have also capital investment opportunities which would be profitable at the present cost of finance, but I shall not be undertaking some of them for the following reasons:	
1 Shortage of internal finance	18
2 Inability to raise external finance	2
3 Shortage of managerial and technical staff	1
4 Shortage of labour	1
5 Other (please specify)	4
(c) My capacity is not adequate to meet expected demand but I do not intend increasing my capacity	1
This is for the following reasons:	
1 Not profitable because of the cost of finance	+
2 Shortage of internal finance	+
3 Inability to raise external finance	+
4 Shortage of managerial and technical staff	+
5 Shortage of labour	+
6 Other (please specify)	+
(d) None of the above is applicable	14

Export trade

Firms completing these questions have direct exports exceeding £10,000 per annum. Number of respondents 1,403

	More	Same	Less
Are you more or less optimistic about your export prospects for the next 12 months than you were four months ago	27	48	25
	(20)	(52)	(28)

Excluding seasonal variations, what has been the trend over the past four months, and what are the expected trends for the next four months, with regard to:

	Trend over past four months: Up	Same	Down	N/A	Expected trend over next four months: Up	Same	Down	N/A
Value of new orders received for exports	30	32	35	4	31	49	17	4
	(23)	(29)	(45)	(3)	(23)	(52)	(21)	(3)
Value of export deliveries	38	35	25	2	44	39	15	2
	(45)	(28)	(27)	(1)	(36)	(41)	(19)	(1)
Average prices at which export orders are booked	56	31	9	4	58	34	5	3
	(57)	(31)	(9)	(2)	(60)	(31)	(6)	(3)

What factors are likely to limit your ability to obtain export orders over the next four months. Please tick the most important factor or factors.

Prices (compared with overseas competitors)	Delivery dates	Credit or finance	Quota and import licence restrictions	Political or economic conditions abroad	Other
62	16	9	14	32	7

Fewer foreign banks operate in City

BY MICHAEL BLANDEN

THE NUMBER of foreign banks operating in the City has fallen this year for the first time since the war.

Though the steady growth in foreign banking representation has been reversed, however, the latest review published by The Banker highlights the continued attraction of London for foreign banks and their major role in the U.K. banking system.

Total assets of the foreign banking community, in sterling and foreign currency, are £69.8bn., or 53 per cent. of the U.K. banking sector as a whole.

The American banks, with £33.6bn., have more funds than the London clearing banks at £31.6bn. The Japanese banks, with £10.9bn. of assets, are the second largest group among the foreign banks.

Over the past year, The Banker reports, six foreign banks have opened branches and five have opened representative offices.

The newcomers include two Iranian banks, Bank Pars and Bank Sanaye Iran, Banco Central, the last major Spanish bank to be represented in London, and Zambia's National Commercial Bank.

Representative offices have been opened by three Common Market banks, from France, the Netherlands and Italy, and by banks from Canada and Korea.

Against these additions, however, six branches and nine representative offices have been closed, partly as a result of mergers, and two consortium banks—Orion Termbank and Rothschild Intercontinental Bank *—have been absorbed into other* institutions.

The closures include three Bengali banks which have merged into the Sonali Bank and a number of Swiss banks. Three American banks have shut their small representative offices, though The Banker comments that no U.S. banks with a full banking operation in the City have shown any intention of leaving.

There are now 244 foreign banks directly represented in London, four fewer than last year, while another 87 hold stakes in London consortium banks.

Foreign and consortium banks are a significant force in the *London-based Euro-market.* As a group, they control $120bn., or 72.5 per cent., of all foreign currency liabilities. American banks alone account for 37.5 per cent. of the total ($62bn.), followed by the Japanese ($22.5bn., or 13.6 per cent.). By comparison, British banks control $37.8bn., or 22.8 per cent., of the total.

Foreign banks account for 73.8 per cent., or £55.6bn. of all foreign currency advances. They satisfy more than two-thirds (£1.6bn.) of the public sector's foreign borrowing needs and 60 per cent. (£2.9bn.) of U.K. private sector borrowing.

Their sterling business is substantial. Total sterling deposits amount to £7.3bn.—16.4 per cent. of the total. This is roughly a third of the deposit base of the London clearing banks.

Sterling advances amount to £3.4bn. This is more than twice the figure for the Scottish clearing banks and *almost four times* the figure for the accepting houses.

BOOKS

In old New York

BY C. P. SNOW

Edith Wharton: a biography by R. W. B. Lewis. Constable, £6.50. 592 pages

Unquiet Soul by Margot Peters. Hodder and Stoughton, £5.95, 460 pages

It is rather unusual, on an American campus, to discover a student who has read anything of Edith Wharton. Yet, as Gore Vidal remarks with his natural trenchancy, she is one of the best of American novelists, unjustly depreciated by the side of her friend Henry James, like him not giving the fundamental satisfaction of the greatest novelists, but, also like him, showing traces of what were once called the footprints of the lion. Have her finest books — *The House of Mirth*, *The Age of Innocence*, *The Custom of the Country* — become completely submerged? If so, it shows how silly literary fashion is, and maybe this accomplished biography will help shake it up.

Professor R. W. B. Lewis is one of those American literary scholars who ought to fill us with envy. He isn't disposed to blame anyone for anything, unless excessively provoked: people are as they are, and a biographer records them. He has good, but not eccentric, literary taste. He has a fund of athlete's energy which takes him anywhere in search of one missing letter. Above all, he has the kind of luck which means that a cache of documents — the answer to a primary question — drops at an amiable luncheon as it were right into his hands (that kind of luck happens only to someone ready for it).

The result is that, in principle, no biography of Edith Wharton will need to be written again. No doubt a few facts will be argued about. There are some slips, minor but careless. One important episode in her story can perhaps be interpreted differently, as Rebecca West has forcibly pronounced: though on this, after re-reading the evidence, I feel sure that Professor Lewis is right. A little more about that later.

Edith Wharton was born in 1862, and her maiden name was Jones. But the family were very grand Joneses, part of the genuine upper-class of old New York. Of all American writers, Edith Wharton started with the loftiest social connections. She also started with some means and from her youth on had a comfortable private income. This wasn't so enormous as her English and French acquaintances believed. Most of her money really came from her writing, from which in her forties she was earning about as much as her English contemporaries, Shaw, Wells, Bennett. Altogether she was rich. What dazzled everyone, she lived more like a rich person than any writer of her time.

So she had social eminence and in due course wealth and fame. That, however, was the extent of her good fortune. She had a great deal of bad fortune, both within herself and outside. Physically she seems to have been impressive but not alluring. She turned out in middle-age to be sexually desirous, and maybe passionate, but she was shrinking and tender under a formidable and often forbidding facade. All her life she seems to have put people off. She was quite incapable of encouraging the kind of man with whom she might have been happy. Only an unusually adventurous and daring man could have the nerve to make sexual approaches.

Hence a life restless, lonely, often devastated. In her youth two men effectively jilted her. One was Walter Barry, later her intimate or *cavaliere servente* for years. He probably didn't want women at all. As a last resort she married Teddy Wharton, without love on either side, and went in total innocence to her marriage bed. Girls in old New York appear to have been bizarrely inhibited. That marriage was a fiasco, but she was loyal for many years, and supported her husband financially—he had very little money by her standards—until he finally broke out into manic-depressive fugues.

She consoled herself by obsessive work and even more obsessive travel, accompanied, whenever she could bully her companions, by a male homosexual court such as other strong-natured women, with their inner lives a vacuum, have collected round them. Her court seemed weirder to English or French eyes than it does to her biographer, whose touch for once falters. Her chief supporters—who were apparently unable to say "no" to any new journey—were Henry James, Gaillard Lapsley, Howard Overton Sturgis, and the anomalous Walter Berry. All were American, all except Sturgis frustrated males rather than innate homosexuals, but nevertheless like maiden aunts when confronted by Edith Wharton's empress-like exterior.

Then, when she was forty-five, Morton Fullerton arrived. He was a Francophile American, a gifted journalist, drifting amiably about, not able to make up his mind what he wanted to do or whom he wanted to love or to go to bed with. He added to this idealistic woolly-mindedness, and here was the oddest part of his equipment, an entirely abnormal sexual confidence. He solved his two latter indecisions by managing to love anybody at hand, man or woman, and duly providing a distinctly high degree of sexual rapture. This was what happened with Edith Wharton. For the first time in her life, and not for long, a couple of years at most, she discovered what erotic pleasure could be.

That is the point at which I disagree with Rebecca West's recent conclusions. She believes—and she may have some private information—that Fullerton was a blackmailer. No one pretends that he was a specially worthy character. At the time he was giving Edith Wharton the only joy of her existence, he was (a) engaged to a cousin who had for many years been thought by both of them to be his sister, (b) maintaining a mysterious relation with a much older woman. But, from all the documents reported by Professor Lewis, the suggestion that he was blackmailing James for homosexual affairs or Edith Wharton for adultery doesn't make sense. His elderly ex-mistress was making demands: but Fullerton sent all three of James's letters on the subject to his putative fiancée.

Then, much later, Edith Wharton wanted to slip him a little money. She persuaded Frederick Macmillan to give him an advance of £100 and attempted half surreptitiously to add *another* £100 herself.

Well, even in 1910, £100 from a very rich woman doesn't sound like buying a blackmailer off. Fullerton, as I have said, was not one of this world's most shining exemplars. And yet I would bet that Edith Wharton thought she had gained more from meeting him than she had lost.

Unquiet Soul is a biography of Charlotte Brontë by another American scholar, so far with nothing like Professor Lewis's reputation. I don't know as much about Charlotte Brontë as I ought to, and all I can do now is record my impression that this is the best book about her that I have read. As I went through it, I felt that Charlotte Brontë had more certainty of instinct than Henry James and Edith Wharton put together. The lack of it, with both of them, produces the failure of fundamental satisfaction mentioned earlier—or, if you like, it produces their marvellous delicacy on the periphery where Charlotte Brontë, often with rancour and hatred mixed with the passion, would have gone straight for the centre and ripped it out.

Edith Wharton in 1905

Wizard in love

BY GEORGE MALCOLM THOMSON

My Darling Pussy: The Letters of Lloyd George and Frances Stevenson, 1913-1941 edited by A. J. P. Taylor. Weidenfeld and Nicolson. £5.25. 258 pages

"George," said Lord Beaverbrook, who had the habit, which he had probably picked up from Bonar Law, of omitting the "Lloyd" from the surname, "George was a wonderful fellow but as crooked as a ram's horn." It was a severe judgment but not one to be lightly dismissed, for a life in the blood-soaked arena of Montreal finance and, later, among the smoother skulduggeries of British politics, had given the speaker fine standards by which human deviousness can be measured.

It was true, of course, that Beaverbrook spoke with unusual warmth on the topic for he felt that Lloyd George had cheated him out of the Board of Trade when he formed the Government that supplanted Asquith's.

At the back of Beaverbrook's suspicious disapproval of Lloyd George there was a touch of envy. Equally matched in cunning and magnetism as the pair might be, Lloyd George, like the hero of a fairy tale, could at a pinch summon up invisible allies. He was a wizard with a keen sense of humour. In dealing with Lloyd George it was necessary to have all one's wits about one—and advisable to have the telephone number of a reliable exorcist!

Men were Lloyd George's books and women were his—at any rate, they were a form of *self-expression*. A form which did not, however, find an outlet in art. The letters between him and his secretary, mistress and later (much later) wife, Frances Stevenson, which A. J. P. Taylor has edited with such scholarly care, are incredibly commonplace, sometimes mawkish. Most love letters should only be read by the person to whom they are addressed. To this rule there are rare exceptions but "my darling Pussy" and "my own beloved little man" are not Eloise and Abelard. Nor are there many fascinating peeps behind the political arras which a statesman (Asquith, say) might confide to a dazzled young woman.

The relationship was passionate on both sides, although on his there was always that ultimate refusal to be committed! He would not marry her until his first wife had died: one has the impression that the double life—with Dame Margaret in Wales and with Frances at Churt, the strain of which he lamented, was, in a way congenial to his nature. That it did not altogether suit Frances is manifest.

She was an adventurous, ambitious young woman and it is possible that her affair with Colonel T. F. Tweed, the chief of Lloyd George's political staff, was not the only incident of its kind. Taylor rejects the story that Tweed was the father of Frances's daughter, Jennifer. This depends on a remark, of 1937, attributed to Lloyd George in the diary of his secretary, A. J. Sylvester: "I have a letter from Tweed saying he is responsible for the child."

No such letter has survived. It is clear that Lloyd George knew of the romance with Tweed in 1932, that he did not break with Frances over it and that he continued to employ Tweed. In a letter from Estoril to Frances, of January 1934, Lloyd George says "Love to you both—Mama and child—but not the papa." Who was "the papa" who was denied his love?

In the same year, Frances wrote in her diary and, ineffectively, deleted, "Saw the back of my T.F.T. disappearing down the corridor and my heart bled with longing." Tweed died in 1940; he left £1,000 to Frances and £500 to the child, Jennifer.

When Lloyd George, by that time a widower, was about to marry Frances, his daughter, Megan, told him on the telephone that, if he did so, she would never speak to him again. When he died, Frances, Megan and Jennifer were at the deathbed. Next morning, Megan walked past Jennifer in the street. Why was she *so* bitter? Was it because she thought that Jennifer was Tweed's daughter and not her father's?

It is a puzzle among *many* others. Over Lloyd George's bed in Number Ten was a framed, embroidered text, "There is a path which no fowl knoweth and which the eye of the vulture hath not seen." What does it mean? Ask J. S. Why did it hang there? One man would have known.

Fiction

Getting on

BY MARTIN SEYMOUR-SMITH

The History Man by Malcolm Bradbury. Secker and Warburg, £3.50, 230 pages

Heat and Dust by Ruth Prawer Jhabvala. John Murray, £3.95, 181 pages

Breathing Spaces by Dan Davin. Robert Hale, £2.80. 21 pages

California Time by Frederic Raphael. Jonathan Cape, £3.50, 224 pages

All of Malcolm Bradbury's novels have been set on campuses. This is not surprising, because he has been a university teacher for the whole of his adult life—since 1970 he has been Professor of American Studies at the University of East Anglia. *The History Man* is by far the best of his three novels.

It is at once a peculiarly ruthless (and timely) dissection of the pretensions of what may fairly be called sociological chic, and a convincing portrait of a monster. Often very funny indeed — Professor Bradbury is clearly an acute observer of university parties and gatherings—it is, at bottom, not a black comedy, but a tragedy. For men like Howard Kirk exist in all universities—and they have not yet been brought to life so vividly and, alas, for all the fun, so dismayingly.

Kirk, a sociologist is a climber and an opportunist. He is in league with "student power"—with what Alisdair MacIntyre has aptly called the "children's crusade." He sleeps around—as a duty. He fawns to his superiors. He makes everyone pay—and unfortunately they seem to pay willingly enough. Professor Bradbury does not spare any of the worst aspects of the world he himself inhabits. His method is not, however, to satirise directly the ridiculousness of pseudo-revolutionaries: by means of dialogue he lets them speak for themselves.

We hear their fashionable jargon, their mentions of their currently favourite books; and their intellectual and emotional ignorance, treated with a detachment almost Flaubertian in its rigour, emerges all the more clearly. But the great achievement is Kirk himself: he is, true, pathetic as well as vile—but he is also highly alarming. This is a compelling novel in the realistic tradition, and possibly the most effective picture of academic life since Mary McCarthy's *The Groves of Academe*. The Polish-born Ruth Prawer Jhabvala's new novel (her sixth)—which has been short-listed for the Booker Prize—is also outstanding. *Heat and Dust*, set in India (where Mrs. Jhabvala lives), is on two planes of time: 1923 and the present. An English girl goes to India to reconstruct the life of Olivia, her grandfather's first wife, who had created a scandal by running away from her husband into the arms of an Indian Prince. The device by which the old India is contrasted with the new, and by which the character of the present-day girl is contrasted with that of Olivia—by which, in other words, the two planes of time are interlocked—is wholly successful: the contemporary girl keeps a diary, and in it re-creates the experiences of Olivia.

This is not merely ingenious, but revealing both of female psychology and of the nature of the change that has taken place in India since the Twenties. It is an imaginative and artistic *tour de force*: lucid, restrained, true at all times to the peculiar psychology of the protagonist.

Breathing Spaces selects from stories Dan Davin has written since 1947. This New Zealand writer has never had his due, even if, since his first novel *Cliffs of Fall*, he has somewhat lost his nerve. I have always thought him best in the short story form (*The Gorse Blooms Pale*, 1947, is his other collection), and *Breathing Spaces* bears me out.

These spare, laconic compassionate tales, reflecting Davin's experiences of New Zealand, of the war and of the Oxford in which he has worked as a publisher since 1945, sometimes recall the best of the vintage short story writers of our time: Coppard and the early Bates. Here the author does not get bogged down, as he tends to in his novels: he is one of the few masters of this difficult form now writing in English.

California Time, by Frederic Raphael, is claimed by its publisher to be innovatory; but the tricks the author plays (an attempt to achieve a true "sequence of presents"; a showing of an old film, on TV, made by the protagonist, and so on), while worthy and serious, are not new. In fact too much of Raphael's energy, in this story of film-director Victor England bewildered by himself and others in Hollywood, may have gone into technique—and not enough into psychology. England himself, too ambitiously conceived, becomes lost, and Raphael's often excellent and intelligent writing seems to spin about too aimlessly to be, in this book, largely wasted.

Publishers at work

BY ALAN HODGE

Bound To Be Read by Robert Lusty. Cape, £6.95. 313 pages

A Living Memory: Hodder and Stoughton, Publishers, 1868-75 by John Attenborough. Hodder and Stoughton, £5.95, 287 pages

Sir Robert Lusty had a farming grandfather in Wiltshire who rode a white horse, named Bess. His grandfather asked him: "What are you going to do when you grow up, Bob?" He says he replied: "Ride about on a white horse like you and do nothing." This was the grandfather who sold Kelmscott Manor to William Morris when Morris was in the midst of producing his wallpaper, textiles and narrative Gothic poetry. Sir Robert remembers being taken to see Morris's widow at Kelmscott: "She seemed somehow to be surrounded by lace, harps, lavender and her daughter May." Much of the blue china had been brought from Italy by Rossetti and presented to his beloved Jane Morris. Some of it is now in Sir Robert's possession.

He never only rode a white horse and did nothing. At the age of 18 he joined the Kent Messenger as an unpaid reporter, and in the next year entered the publishing house of Hutchinson, at the beginning also unpaid. He is engaging about "Mr. Walter" Hutchinson. "You can't run a publishing house and find time for authors," "Mr. Walter" would say.

"Mr. Walter" was kind to animals, Sir Robert says, but not to human beings, with odd effects upon his office. "The more extravagant his excesses, the more bullying his behaviour, the greater became accentuated a sort of lunatic happiness experienced by well-nigh every man and woman involved in the madness of those Paternoster Row years." The madness is summarised by a headline in The Bookseller, then edited by Edmond Segrave. "World's largest publisher buys world's most expensive cow." "Mr. Walter" had sent two agents to purchase the pedigree beast, apparently with instructions, undisclosed to either separately, to buy at any price.

When he was aged 22, Sir Robert was installed in the Selwyn and Blount part of Hutchinson and with success. He was more patient with authors than "Mr. Walter" and has some good Garrick Club stories about writers who can be even odder in behaviour and with proofs than their publishers. In 1935 he left Hutchinson to help found Michael Joseph. Gollancz provided some of the finance, and a list was built up that included C. S. Forester, Joyce Cary, Louis MacNeice, H. G. Wells, Margery Allingham, H. E. Bates, Doris Lessing and Henry Cecil—to name only a few.

War-time and after brought its troubles; paper-rationing among them, and the long absences from the office of Michael Joseph himself, who left most work to his colleague. In 1954 the firm was sold, first to Sir John Ellerman and the Illustrated London News, then to Lord Thomson. In 1956 Sir Robert Lusty returned to Hutchinson as chairman and managing director. He presided genially over a revival of Hutchinson fortunes; became a knight, a Governor of the BBC and, in his retirement, a lively recorder of life in publishing.

Mr. John Attenborough's book on Hodder and Stoughton is more like a formal family history of a firm than Sir Robert's book. Matthew Hodder and Thomas Wilbeforce Stoughton founded it in 1868, when they were aged 37 and 28. The Hodder-Williams's, the Stoughtons and the Attenboroughs, who have controlled the company during the past century, are all descended from its founding fathers.

Nonconformist Bible-criticism has always been a speciality at Hodder and Stoughton: combined, curiously, with fiction, including Edgar Wallace and Arnold Bennett; many American books, because the Hodders have for long been great transatlantic travellers; and, more lately good biography.

Big deal

BY BRIDGET BLOOM

Black Account by David Jordan. Michael Joseph. £3.95. 256 pages

It seems strange that so few thrillers are set in Africa, quintessentially the exciting continent. True, we have recently had Forsyth's Biafra-based *Dogs of War*, to show what can be done. But now comes David Jordan, to take the whole thing a stage further.

Kane and Condon, high flying employees of Thorne, Reinhard, one of the City's most discreet merchant banks, operate in strictly modern Africa. There's a mountain of iron ore in Kenya and a mammoth $635m. deal to be set up. But can the Black-White political conflicts of the mid-1970s be squared with commercial realism? The principals to the deal include not only the independent African Government and Japan, but the "new Rhodes," a possibly dubious South African tycoon and his allies.

The publishers blurb declares Jordan—this is the second of a series about Kane and Condon—to be the pseudonym for a man who "now occupies an important position with a City firm!" Whoever he is, he writes with great pace and panache and a tellingly observant wit.

Shy commander

BY JAMES ENSOR

Washington: the indispensable man by James Thomas Flexner. Collins, £5.00. 402 pages

George Washington, a man revered in America, is to most Britons a legendary figure, known only for a few aphorisms and for his great achievements, but not as a personality. Of the great figures of eighteenth century history, Talleyrand, Frederick II, Walpole, Peter the Great, Robert Clive—Washington remains, at least in Britain, the most shadowy and least appreciated.

Yet as an army commander, a natural diplomat, and eventually as the uncrowned king of the independent American colonies, Washington showed personal skills, strength of character and an independence of mind to rank alongside any of them. It is to James Thomas Flexner's great credit that he presents Washington as a real man, a man of shyness, unrealised fears, passions and surprising humour. He brings him almost back to life and enables one to understand the awe and affection in which he was held at the end.

This one volume study is a distillation of a huge three tome work, for which Mr. Flexner received a special Pulitzer citation in 1973. The surgery has been skilfully done, for though the book moves fairly abruptly into his early military career as a British officer in the irregular Virginia Regiment, fighting against Indians and French, it never thereafter loses an essential rhythm and momentum.

Washington's early life, after his exciting military apprenticeship on the American frontier, became that of a typical Virginia tobacco planter. Flexner well illustrates the attitudes which closely bound such Americans to their homeland and the growing impatience with foolish and ill-considered decisions which steadily eroded it. Washington would have liked nothing better than to have become a colonel in the regular British army but was rebuffed for youth and lack of birth—a decision which might have changed the course of history.

As the commander of the Virginia forces during the French war he anticipated the same position in the struggle which developed against the British and when he heard rumours that he might be commander in chief, begged his friends to block it. Chosen army commander, without an army, he worked tirelessly and against bitter intrigues and insubordination to weld his force of farmers into a unit capable of fighting what were commonly regarded as the finest soldiers in the world. Washington's realisation that the battle would be won in men's minds and in raids rather than pitched battle encounters, was probably the decisive factor in the war. His huge frame, always close to the front, served to inspire the very timid and ill-trained troops; his refusal to commandeer resources despite the desperate shortages of money to pay his summertime soldiers ensured that the population at least in the countryside, supported the rebels. It is ironic to think that the lesson of Washington was learned by General Giap and turned against the Americans in Vietnam.

After the surrender at Yorktown, Washington held an army together though it fought no further campaigns for almost four years until the British finally accepted that they could not hold the colonies against the will of the colonists. Mr. Flexner rightly points out that views of Washington's military genius (he has been compared to Napoleon while others have said that he would have been defeated by any general less stupid than Cornwallis or Clinton) are irrelevant. Washington knew that the civilian battle was the crucial one and fought his war accordingly.

His work on the constitutional convention and his presidency amply showed his gifts for diplomacy. His sometimes stormy relationship with Jefferson and Monroe, his love affair with Sarah Fairfax and later Eliza Powell show him to be a man of great passion as well as statesmanship. James Thomas Flexner is a sympathetic and penetrating biographer.

APPOINTMENTS

M. J. Lodge joins board of United Molasses

Mr. M. J. Lodge has been appointed to the Board of UNITED MOLASSES, a division of Tate and Lyle. He is managing director of Paktank Storage.

★

Mr. G. A. Gray has been appointed executive director, home sales, of DOWTY MINING EQUIPMENT.

★

Mr. L. E. Evershed-Martin has retired from the Board of DOLLOND AND AITCHISON. Mr. S. J. Rowland, a director of the parent company, Dollond and Aitchison Group, and Mr. S. B. Banes have been appointed directors. Mr. N. A. Stercks Martin has retired from the Board of Wigmore's and Mr. W. Macdonald has been appointed in his place.

★

The Board of BABCOCK PRODUCT ENGINEERING, a new company within the Babcock and Wilcox Group, consists of Mr. R. Dean (chairman), Mr. D. J. Fairclough, (director and general manager), Mr. M. J. Nightingale, Mr. W. J. Ryder, Mr. R. A. Arthur and Mr. A. R. Cook.

★

SUN ALLIANCE AND LONDON INSURANCE has made the following appointments from January 1: Mr. R. A. G. Neville, deputy general manager (overseas division) and Mr. B. A. Wright, deputy general manager (home division).

★

Mr. Iain C. R. Bett has been appointed joint managing director of BETT BROTHERS to act with Mr. Albert Bett and Mr. Stewart Bett, the present joint managing dircetors.

★

Mr. S. A. Triantafyllides, a director, has been appointed deputy chairman of the BANK OF CYPRUS (LONDON) and all group companies.

★

Mr. Larry Liebou has been appointed to the newly-created position of director, European procurement, FLUOR EUROPE.

★

Mr. P. T. Hagan has been appointed associate director of WIGHAM POLAND REINSURANCE BROKERS and a director of Wigham Poland and Bevingtons Reinsurance Brokers.

★

Mr. J. V. Woollam and Mr. R. G. Leworthy have been appointed directors of HAMILBORNS.

★

Mr. Christopher J. Rae has been appointed an executive director of the KAYBORE GROUP. Mr. Rae was previously a senior general manager with the gas services group of British Oxygen.

★

Dr. K. P. Duncan, director of medical services in the Health and Safety Executive, has been appointed a member of the MEDICAL RESEARCH COUNCIL.

★

Mr. A. F. Hobday has resigned as financial director of FINANCIAL COLLECTION AGENCIES (U.K.) to establish his own direct mail and secretarial services company.

★

Mr. J. M. Burnett, who has retired as chairman of EMI (AUSTRALIA), has been appointed consultant to the EMI (Australia) group.

★

Mr. M. P. Rathbone, who is joint managing director of the Firth Cleveland sub-group of GUEST KEEN AND NETTLEFOLDS has been appointed chairman of CARRYFAST and its associated companies, also of Godwin Warren Engineering, both of which are in the Miles Druce sub-division of GKN.

This change in management has resulted from the resignation of Mr. D. J. Hulbert from his position as managing director of the sub-division and his departure from the service of the group.

★

Mr. N. W. Freeman has resigned as a director of ALBRIGHT AND WILSON following his retirement as chairman of Tenneco Inc. The Board has appointed in his place Mr. R. A. Robinson who is vice-president and treasurer of Tenneco International Inc. and is based in London. Mr. Robinson will be a non-executive director.

★

Sir John Wilson has been appointed a deputy chairman of the CIVIL SERVICE APPEAL BOARD. Until his recent retirement he was Second Permanent Under-Secretary of State (Administration) at the Ministry of Defence.

★

Mr. J. Brassington has resigned from the Board of TRAFFORD PARK ESTATES.

★

Mr. Dennis Randall, a Fitch Lovell main Board director, has become chairman of the ROBERT DANIEL FOOD GROUP and Mr. Cyril Cockcroft, director and general manager of the cash and carry company Robson and Son (Bournemouth), has joined the Robert Daniel Board as a non-executive director. Mr. Robert McDowall continues as vice-chairman and chief executive.

The appointments follow the purchase by Fitch Lovell of the outstanding minority interest in Robert Daniel Food Group of Mr. Daniel and his family. Mr. Daniel and Mr. Terence Norris have reliquished their appointments in group companies.

★

Mr. George Hall, until recently deputy managing director of Norton Villiers Triumph, has been appointed director of production of SIMPLEX MECHANICAL HANDLING.

★

Mr. Bernard Simmonite has been appointed managing director of Production Stainless Steels; Mr. Peter H. Bowker, sales director of Production Aluminium Supplies; and Mr. Anthony O'Neill, commercial director of Production Steel (Tubes). The companies are members of the Production Steel Metals Group.

★

Mr. Paul Gourmand has been appointed managing director of J. DEMPSON AND CO. and its associate Fibre Converters and executive director of H. Young (Plastics).

★

Mr. H. H. Bible, a director of MONSANTO COMPANY, of the U.S., has been elected an executive vice-president, responsible for three operating companies: Monsanto Industrial Chemicals, Monsanto Polymers and Petrochemicals, and Monsanto Textiles. Mr. E. S. Bauer has been elected an executive vice-president and director, responsible for two operating companies: Monsanto Agricultural Products and Monsanto Commercial Products. He will also act as managing director of Monsanto Commercial Products, succeeding Mr. T. K. Smith Jr., who becomes group vice-president—operations staff. Mr. F. J. Fitzgerald has been made a vice-president and succeeds Mr. Bible as managing director of Monsanto Industrial Chemicals. Mr. R. J. Mahoney is now a vice-president and replaces Mr. Bauer as managing director of Monsanto Agricultural Products.

★

Mr. Salim bin Nasser Al-Busaidi has become managing director for GULF AVIATION.

★

Mr. Miguel Jardim is to be the new Director of the PORTUGUESE NATIONAL TOURIST OFFICE in London and will take up the position in the New Year.

★

Mr. Roger P. Craton has been elected vice-president—finance, FORD OF EUROPE INC., replacing Mr. H. A. Poling, whose election as president of Ford of Europe Inc. was recently announced. Mr. Craton joins Ford of Europe Inc. from Ford Motor Company (U.S.) where he held a number of executive positions in finance, supply and planning.

★

Dr. G. K. Eaton has been appointed plant director of MULLARD BLACKBURN to succeed Mr. G. J. Konings who has accepted a position with the Elcoma Division of Philips in Eindhoven, Holland. Dr. Eaton, at present plant director at Mullard Hazel Grove, will take over full responsibility at Blackburn from January 1.

★

Mr. John Sunley, head of components division at the Government's Princes Risborough Laboratory, has been appointed director of the TIMBER RESEARCH AND DEVELOPMENT ASSOCIATION in succession to Mr. J. S. McBride. Until Mr. Sunley takes up his post Mr. Harry Richardson, a TRADA deputy director, will be acting director.

APPOINTMENTS

Chartered Surveyor

Germany c.100,000DM

Considered optimism persuades this major British professional firm to expand its important connections in Germany. The task will be to develop a profitable estate agency business to a level which will support several qualified men, as well as German negotiators and secretarial staff. In the office, shop and industrial markets, the partnership has already completed significant business, and every assistance will be provided by London in order to sustain a successful German activity. This prospect offers a qualified man in his early 30's every opportunity to establish a reputation on his own merits. He will not succeed without commercial skills of a high order, allied with the managerial ability to run his own show. Conversational German is expected as well as some experience in the continental property sector. Salary negotiable in the region indicated with a car provided; equity or profit participation in due course. (Personnel Services Ref: PF26/5430/FT)

The identity of candidates will not be revealed to our clients without prior permission given during a confidential discussion. Please send brief career details, quoting reference number to the address below, or write for an application form, and advise us if you have recently made any other applications.

PA Management Consultants Limited,
Personnel Services Division, Hyde Park House,
Knightsbridge, London SW1X 7LE

LEGAL NOTICES

No. 003516 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of L. E. A. BUILDERS LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 27th day of October 1975, presented to the said Court by SANKEY BUILDING SUPPLIES LIMITED whose registered office is at Station House, Harrow Road, Wembley in the London Borough of Brent; and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 1st day of December 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

LAYZELLS,
Stradbroke House,
319 Muswell Hill Broadway,
London N10 2QS.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 28th day of November 1975.

No. 003378 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of FRIVOLE (UPMINSTER) LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 30th day of October 1975, presented to the said Court by HIGHLIGHT SPORTS LIMITED whose registered office is situate at 1-5 Poland Street, London, W.1, a creditor of the above-named Company, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 1st day of December 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

ASHLEY KALMS & CO.,
56 London Road,
Southend-on-Sea,
Essex, SS1 1QQ.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 28th day of November 1975.

No. 003471 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of BILL GIBB LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 21st day of October, 1975, presented to the said Court by ABRAHAM S.A. whose registered office is situate at Zollikerstrasse, 228 Zurich 8034 in the Republic of Switzerland incorporated under the Laws of the Republic of Switzerland, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 24th day of November, 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

LEWIS CUTNER & CO.,
24/25, Manchester Square,
London, W1.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 21st day of November, 1975.

No. 003491 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of FINER HEATING LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 23rd day of October, 1975, presented to the said Court by V.B.M. MERCIAN LIMITED formerly Mercian Builders Merchants Limited whose registered office is situate at Cheston Road, Aston, Birmingham 7, Builders Merchants, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 24th day of November, 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

BRABY & WALLER,
2/3, Hind Court,
Fleet Street,
London EC4A 3DS.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 21st day of November, 1975.

No. 003481 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of FREEHOLD AND LEASEHOLD SECURITIES LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 22nd day of October, 1975, presented to the said Court by HAWTIN AND PARTNERS LIMITED whose registered office is at 18 Golden Square, London, W1R 3AG, Merchant Bankers, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 24th day of November, 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

VICTOR MISHCON & CO.,
125, High Holborn,
London, WC1V 6QP.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 21st day of November, 1975.

No. 003522 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of TAIGLEN LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 28th day of October 1975, presented to the said Court by VERNON AND SONS (a firm), 13, Market Place, Abingdon, Berks., Chartered Surveyors and Estate Agents, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 1st day of December 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

SHARPE PRITCHARD & CO.,
109 Kingsway,
London WC2B 6PZ.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 28th day of November 1975.

No. 003556 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of HOUSING AND GENERAL DEVELOPMENTS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 29th day of October, 1975, presented to the said Court by E. FELTON AND PARTNERS LIMITED whose registered office is situate at Sandwich, Kent, Timber Importers, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 1st day of December, 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

BRABY & WALLER,
2/3, Hind Court,
Fleet Street,
London EC4A 3DS.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 28th day of November, 1975.

COMPANY NOTICES

CANADIAN OVERSEAS PACKAGING INDUSTRIES LIMITED

(Incorporated under the laws of Canada)

DECLARATION OF DIVIDEND

The Directors have declared the following dividend payable to shareholders registered at the close of business on November 21, 1975.

Common Shares (Dividend No. 16)

25 Canadian cents per share (20 cents 1974) for the year to June 30, 1975.

In terms of the Company's By-Laws the dividend will be payable in the case of shareholders whose registered address on the abovementioned date were shown in the Company's Registers of Members as being:

(i) in South Africa, in South African currency

(ii) in the United Kingdom, in United Kingdom currency

(iii) elsewhere, in United States currency.

Dividend warrants will be posted on or about December 17, 1975.

By Order of the Board
M. C. JOHNSTON, Q.C.
Secretary.

November 7, 1975.
Head Office:
7th Floor, 715 Victoria Square,
MONTREAL, Quebec, Canada
H2Y 2J1.

Marketing in Europe

CONSTRUCTION

• THE company is already at the forefront of the British construction industry. The strategic decision has been taken to expand business into Europe.

• A KEY new appointment, based either in Antwerp or London, is being created to sell the company's services.

• THE need is for a man of standing with an established record of successful selling within the construction industry or in property development. This will probably be backed by a relevant professional qualification. Fluency in English and French is essential.

• AGE preferably under 45. Remuneration package negotiable against a UK base salary in five figures.

Write in complete confidence
to R.T. Addis as adviser to the company.

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12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN
10 HALLAM STREET LONDON W1N 6DJ

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INDUSTRIAL CHEMICALS

for a firm of London merchants well established as part of an international group trading in metals and fine chemicals.

• THE task is to generate new business in the trade of industrial chemicals. Initially emphasis will be on the development of the UK market followed by expansion overseas.

• THE prime requirements are for experience at a senior level with an established company dealing in heavy chemicals and the capability to operate with a high degree of personal autonomy.

• SALARY will be of interest to those already earning around £7,000. Age up to 40.

Write in complete confidence
to J.B. Tonkinson as adviser to the company.

TYZACK & PARTNERS LTD
10 HALLAM STREET and LONDON W1N 6DJ
12 CHARLOTTE SQUARE EDINBURGH EH2 4DN

Applications are invited for the post of

COMMERCIAL DIRECTOR
to the
Welsh Industrial Estates Corporation

The successful applicant will be a Chartered Surveyor or will be otherwise highly qualified in Estate Management; will be required to have substantial experience of Estate Management preferably with the emphasis on industrial premises and will be responsible for the administration of the Commercial Department including the acquisition and sale of land and premises, liaison with architectural and engineering departments, negotiating leases and rents (in conjunction with HM Valuation Office), rating matters, administrative procedures related to capital expenditure and a wide variety of matters arising from property management.

The present salary attaching to the post is in the range of £7,194/£7,845 but the post is to be regraded to a salary range of £7,748/£10,480. The successful candidate will be required to meet the standards appropriate to the higher salary range. There is a contributory Pension Scheme and accrued rights in most fields of Public Service are transferable

On the assumption that the Welsh Development Agency Bill becomes law before the end of the present Parliamentary Session the Agency is expected to come into operation at the beginning of next year. The Agency will supersede and undertake a wider range of functions than the Welsh Industrial Estates Corporation. The successful candidate appointed before this event would be absorbed into the Agency without interruption. If the successful candidate cannot be appointed beforehand, the Agency itself will make the appointment without variation in the terms and conditions now offered.

Forms of application should be obtained, for return not later than 1 December 1975, from the Secretary, Welsh Industrial Estates Corporation, Treforest Industrial Estate, Pontypridd, Mid Glamorgan, CF 37 5UT.

APPOINTMENTS WANTED

WOMAN GRADUATE, 28, with extensive knowledge of the Middle East, Farsi, French, some German, typing seeks interesting job. Tel. 01-603 8303

CINEMAS—Cont.

PRINCE CHARLES, Leic. Sq. 437 8181. 2nd Great Year EMMANUELLE (X) Sep. Perfs. daily (inc. Sun.) 2.45, 6.15, 9.00. Late Show Fri. and Sat. 11.45. Seats Bookable. Licensed Bar.

RITZ, Leicester Sq. 437 1234. BUG (X). Progs. Daily 2.15, 4.25, 6.35, 8.45. Late Show Fri. & Sat. 11.30 p.m.

SCENE 1, Leic. Sq. (Wardour St.) 439 4470. Cont. Perfs. Dly. from 12.55. DROWNING POOL (A). 1.05, 5.00, 8.50. PRISONER OF 2ND AVENUE (A). 3.10, 7.00. Late Show Fri. & Sat. 10.55.

SCENE 2 Leic. Sq. (Wardour St.) 439 4470 Cont. Perfs. Dly. from 12.30. Late Show Fri. & Sat. 12.05. YOUNG FRANKENSTEIN (AA). Progs. 12.30, 2.45, 5.05, 7.25, 9.45. Lte Show Fri. and Sat. 12.05.

SCENE 3, Leic. Sq. (Wardour St.). 439 4470. THE TOWERING INFERNO (A). Sep. Perfs. Daily 2.00 5.20 8.40 Late Show Fri. & Sat. 11.45. Seats Bkble.—All Perfs.

SCENE 4, Leic. Sq. (Wardour St.). 439 4470. 2nd YEAR. The Film Everybody's Talking About. THE EXORCIST (X). Directed by William Friedkin. Sep. Perfs. Dly. 12.30, 3.00, 6.15, 9.00. Lte. Show Fri. and Sat. 11.30. Box Office Open Daily 10-8. Sun. 12-8. Seats Bkble.—All Perfs.

WARNER WEST END. Leicester Square. Tel. 439 0791.
1. VENIAL SIN (X). Sep. progs. 2.30, 5.30, 8.30. Late show Sat. 11.00.
2. FIVE FINGERS OF DEATH (X). Cont. progs. 2.40, 4.35, 6.30, 8.30. Late show Sat. 11.00.
3. Watch for opening on Nov. 20th with PERMISSION TO KILL.
4. Telly Savalas, James Mason, Robert Culp, INSIDE OUT (A). Cont. progs. Wk. 2.10, 4.15, 6.20, 8.30. Sun. 3.30, 5.40, 7.55. Late show Sat. 11.00.

ART GALLERIES

ABBOT AND HOLDER'S Special Exhibition of 200 Selected Watercolours. Daily until Nov. 15 at Alpine Club Gallery, 74, South Audley St., W.1. 01-629 2280.

AGNEW GALLERY, 43, Old Bond St., W.1. 01-629 6176. BRITISH PAINTINGS 1900-1975 including BERNARD DUNSTAN exhibition. Until 5 December. Mon.-Fri. 9.30-5.30. Thurs. until 7.0.

ANTHROPOS GALLERY. Specialists in Ethnic Arts. 65-67, Monmouth Street, Upper St. Martin's Lane, W.C.2. 01-836 6182. Europe's finest collection of New Guinea, Papuan and Eskimo Art. A new exhibition Mon.-Wed. 10-8. Thurs. Sat. 10-12 midnight. Sunday 1-7. New Exhibition of SHONO SCULPTURES.

BEDFORD HOUSE STUDIO, CATLIN, unique painter of London street life. 106, Kensington Church Street, W.8. Tel 01-229 8156. Tue-Sat. 10.30-1.00, 2.30-6.00.

KAPLAN GALLERY, 5, Cork Street, W.1. An exhibition of paintings by ERNEST LE VILLAIN 1834-1916. Mon.-Fri. 10-6. Sat. 10-1. 01-437 0264.

MARJORIE PARR GALLERY, 285 Kings Road, Chelsea, S.W.3. DOUGLAS PORTWAY. Paintings. Until November 22nd. Open all day Saturday. Closed Mondays.

REDFERN GALLERY. ROBERT YOUNG. New Paintings and Drawings. November 4-26. 20, Cork Street, London, W.1.

ROYAL ACADEMY OF ARTS. Landscape masterpieces from Soviet museums. Until 30 November. Wkdys. 10-6. Suns 2-6. Adm. 50p (Mondays 30p). Students and pensioners half price.

THACKERAY GALLERY, 18, Thackeray St., Kensington Sq., W.8. 01-937 5883. DONALD McINTYRE until 28 November.

HOTELS

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PARLIAMENT

New approach under fire

BY PHILIP RAWSTORNE

THE GOVERNMENT'S new approach to industrial strategy was put through its paces in the Commons yesterday to some severe criticism from both sides.

Mrs. Margaret Thatcher, the Tory leader, commended Mr. Harold Wilson's rediscovered sense of direction but snappily suggested that he would have to take more positive steps if he were to reach his objective.

Mr. Eric Heffer, the former Industry Minister, accused the Chancellor, however, of trampling Labour's manifesto into the dust.

Between these extremes, the Prime Minister and Mr. Denis Healey, sometimes tentative but always nimble, managed to win a loyal welcome from the majority of the Government's ranks.

With both the TUC and the CBI united in the common approach, Mr. Wilson promised that the full resources of Government and industry could now be applied to make it a success. "It is an approach, not an immediate solution," he warned—though no one seemed in any danger of making that mistake.

Certainly not Mrs. Thatcher, who asked what immediate steps the Government was going to take in giving industrial investment priority over social objectives and consumption.

Well, the Government was not going to print money for property speculation like the last Tory Government, responded Mr. Wilson, to a mixed chorus of cheers and jeers. Government expenditure was being reveiewed to make the resources available for the industrial activity that would grow as the economy recovered, he said.

"In other words you have no positive proposals, only talk," Mrs. Thatcher smartly rejoined.

The Prime Minister, envisaging some workers switching jobs two or three times in their working lives, agreed with Labour MPs that the "humane questions" of manpower planning would have to be given due attention.

But like Mr. Healey before him, he ran into a deal of trouble with the Left-wing over the immediate question of unemployment. The Budget measures to ease the problem would be far more rewarding than a vast Keynesian reflation, he told Mr. John Mendelson (Penistone).

The Government was not solely intent on picking industrial winners but on ensuring that industry could survive and prosper, he said.

It was a message Mr. Healey had delivered even more forcefully to Mr. Frank Allaun (Lab., Salford E.) who had complained that future cuts in public spending would worsen future unemployment.

The public sector deficit could be financed now when private saving and company investment were low, but it would not be possible when the economy recovered, he said.

"Both sides of the House must accept this as an arithmetic fact from which there is no escape," he declared.

But Mr. Heffer, for one, would not accept it. The Government he said, was repudiating its manifesto and heading for a private enterprise rather than a socialist future.

Callaghan promises Belize defence

MR. JAMES CALLAGHAN, Foreign Secretary, told the Commons yesterday that Britain would "fulfil its responsibilites" if there were any invasion of Belize—formerly British Honduras.

He promised to consider sending a Minister or other representative to the self-governing colony—"although they seem pretty stouthearted themselves and wish to secure their own independence."

Belize, for whose defence Britain is responsible, faced increased military activity on the Guatemala border, and Guatemalan Ministers had stated their intention to incorporate the colony in Guatemala, he added.

Mr. Callaghan said that the Government had decided to increase the size of the small Belize garrison. But he hoped that these reinforcements would not be needed and could be withdrawn in due course.

"If there was an invasion of a British colony seeking to become independent, and whose independence is only denied by Guatemala, we would fulfil our responsibilities to that colony."

Britain's aim was to bring Belize to full independence through negotiations with Guatemala and a number of Caribbean and other states.

He added that the Government was ready to resume talks which were broken off earlier this year.

Mr. Reginald Maudling, "shadow" Foreign Secretary, said that the Opposition entirely supported Mr. Callaghan in carrying out Britain's responsibilities, and trying to solve the very difficult situation.

Mr Callaghan replied that the people of Belize had expressed through universal suffrage their support for the Government which wanted self-determination and independence.

Belize's aspirations to independence were supported by a group of non-aligned countries who had met in Lima, and by the Commonwealth Prime Minister's Conference, but Guatemala did not accept that the doctrine of independence should apply.

There would be a United Nations debate on the matter, and a large number of countries, perhaps 48 in all, had decided to co-sponsor the resolution with which Britain was associated.

Healey refuses deficit forecast

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE PUBLIC sector borrowing requirement would be drastically reduced as "recovery took off," Mr. Denis Healey, Chancellor of the Exchequer, assured the Commons yesterday.

But he stressed his view, at question time, that it would be a great mistake to try to cut public spending in a year when unemployment was rising, and he declined repeated demands from the Opposition for a statement on the public sector current deficit.

"It has never been the practice to publish forecasts other than at the time of a Budget," he told his Tory inquisitors, and he challenged them to indicate how big an increase in unemployment they would be willing to bring about for the sake of the cuts they wanted.

From the Tory side, Mr. Norman Lamont (Kingston-upon-Thames), said: "It is an extraordinary insight into the rakish mind of the Chancellor that he thinks the question 'What can you cut?' should come before the question, 'What can you afford?'"

Higher

As the Opposition continued to press him for further economic information, the Chancellor pointed out that it was not the practice to provide revised forecasts of the current size of the borrowing requirement other than at Budget time.

Mr. John Biffen (C., Oswestry), said that MPs did not lead such cloistered and sheltered lives that they could not face up to the financial facts of life.

He claimed it was evident that the public sector borrowing requirement was running at an annual rate of £12bn., "and the only inference that can be drawn from the Chancellor's Mansion House speech is that he expects it to be running at an even higher level next year."

Mr. Healey brushed aside the Tory attack, refusing to be lectured by Opposition MPs. He claimed that the concept of a public sector borrowing requirement was not used by other countries. The nearest equivalent for the purposes of comparison was the general Government deficit concept used by the United States and by Germany.

Ours was running at about the same level as in these two countries, and for the same reasons their levels of unemployment were high and they were as determined as Britain to bring these levels down.

The Chancellor went on to attack the Tories for the extravagance he claimed was inherent in their proposals at the last election. Had Labour accepted all these schemes, the public sector borrowing requirement would have been at least £3bn. higher, he said.

Liberal finance spokesman Mr. John Pardoe drew amusement and applause from Labour backbenchers when he said that some MPs supported Mr. Healey in his firm stand against the "panicky and hysterical cries for public expenditure cuts from the fat cats on the Conservative benches.

"It is the main and primary function of the Commons to control public expenditure," Mr. Pardoe asserted, and he asked why, after all these years, the Commons had been "failing manifestly" in its main function.

Mr. Healey said that the facts revealed by the economist Mr. Wynne Godley at the recent meeting of the Commons Public Expenditure Committee deserved very serious consideration by Tory MPs.

Sir Geoffrey Howe, "shadow" Chancellor, intervened to call on Mr. Healey to begin to face up to his own responsibilities. In successive Budgets, Mr. Healey's forecast of the public sector borrowing requirement had been "wildly and grotesquely wrong."

Mr. Healey again refused to give a forecast. He refuted Sir Geoffrey's suggestion that reducing public expenditure was the only effective means of "avoiding monetary incontinence," unduly high interest rates, and a crowding out of private sector investment.

Folly

Mr. Healey commented: "I wish that British businesses were following the example set by American multi-national companies which have been steadily increasing their investment in Britain in the past two years and propose a further increase next year."

Sir Geoffrey asked Mr. Healey whether, supposing he had a Budget next week, he would reveal further plans for cutting public expenditure beyond those announced in his last Budget.

The "shadow" Chancellor said he believed the borrowing requirement was already beyond the £3bn. July Budget forecast. "Are you not taking the gravest risks and isn't it a cruel folly on your part to believe you can run the economy of this country without planning substantial cuts in public expenditure next year?" he asked.

Mr. Healey again refused to be lectured "by a putative leader of the Opposition party," he added. He accused Sir Geoffrey of refusing to give any indication of the amount of unemployment he was prepared to engender by cuts in public expenditure this year, or of the size of cuts he would make.

To the Labour anxieties which focused on the contention that the Government's public expenditure cuts were already too high, the Chancellor replied: "I don't propose to cut public expenditure in this financial year. I made it clear in my Budget statement that I intended to cut public expenditure in the next financial year by about £1bn. at current prices and that there would be further cuts to programmes in succeeding years."

When he was pressed by Mr. Frank Allaun, Labour left-winger and member of the Labour Party executive, the Chancellor reminded him that it was agreed at the Labour Party conference that his Budget policy was in the national interest.

"I look to Mr. Allaun on the National Executive to bring the same loyalty to this decision as he has to others," the Chancellor continued.

"But while it is possible for the Government to finance without undue inflationary consequences a borrowing requirement of the current size, while there is a low level of private saving and company investment, that will not be possible when the economy recovers — and both sides of the House must accept this as an arithmetical fact from which there is no escape," said Mr. Healey.

Nothing positive—only talk, says Thatcher

THE GOVERNMENT'S proposals for regenerating Britain's industrial structure represented an approach and not an immediate solution to the country's problems, Mr. Harold Wilson, the Prime Minister, told the Common yesterday.

He said that the full resources of government and industry could now be applied to the approach. The most important thing was to increase investment and see it went to the right place, with a much better return in terms of productivity.

Opposition leader Mrs. Margaret Thatcher asked Mr. Wilson what immediate steps he would take to give effect to the industrial strategy.

Mr. Wilson referred to the strategy paper, and also the Government's stress on investment. "Your own Government were lamentably unsuccessful in this matter. Most of the money it printed went into property development.

"It will be essential that these are the resources available for investment for exports and for expanding production. It was for that reason that the Government was reviewing Government expenditure.

Mrs. Thatcher countered: "In other words, you have no positive proposals, but only talk."

Mr. Wilson replied that the Government would be examining expenditure for two and three years ahead, not cuts for this year. "I would like you, one time, to get up and tell us what you would cut now."

Mr. John Horam (Lab., Gateshead W.) called for a foreign investments review Board to monitor the activities of multi-national companies operating in Britain.

Mr. Wilson said he did not think such machinery was needed. "Monitoring of these problems is a continued activity of Government." He would prefer to say as little as possible about the Chrysler talks.

"When the Government is faced with a situation with this multinational company with all the problems that have arisen . . . and the Government is presented with a pistol at its head, it is important that discussions should continue, and that the Government should give a report as soon as is humanly possible."

Dealing with further questions Mr. Wilson said that at the Chequers conference, he had discussed what could be done to ensure that industry could meet the demands made of it when the economy looked up.

During earlier Treasury questions Mr. Eric Heffer (Lab., Walton) had described the Government's new strategy as a repudiation of the manifesto upon which the Labour Government was elected.

"The statement issued on behalf of the Government at Chequers yesterday falls very far short of what the Labour would expect the Government to carry out in its policy for Labour and industry.

"It is virtually a repudiation of the 1973 programme and the manifestos upon which we were elected and is an acceptance of private enterprise in the future rather than a Socialist policy upon which our party is based," he declared.

Mr. Joel Barnett, Chief Secretary, disagreed. The statement issued yesterday indicates the need to get British industry moving again and back from the decline of the last 30 years.

"I do not believe it in any way detracts from what was said in our manifesto."

Mr. Barnett was challenged by Mr. James Sillars (Lab Ayrshire S.) to state his estimate of the rate of growth required over the next two years to cut unemploymen by half.

Mr. Barnett said that no single estimate was available. "There are many different growth rates which could, in theory, halve unemployment in two years. The answer depends crucially on the assumed composition of growth and its time path within the two year period."

Mr. Michael Latham (C., Melton) asked whether the Government expected unemployment to fall in the next two years.

Mr. Barnett said that the Government had indicated many times that there would be an upturn in the economy during the course of the next two years which would bring about an increase in employment.

Wilson praises kidnap case handling

THE "FIRM RESOLVE" of the Irish Government in its handling of the Herrema kidnapping was praised by Mr. Harold Wilson, the Prime Minister, in the Commons yesterday.

He had been asked by Mr. Alan Beith (L. Berwick-upon-Tweed) to "make it clear to the Irish Government that as well as concern for the fate of Dr. Herrema, there is also very deep respect in this country for the refusal of that Government to be blackmailed and for their careful handling of this case."

Mr. Wilson replied: "I made clear last week our admiration of the way in which the Dr. Herrema kidnapping was being conducted and I repeat it to-day.

"I believe the whole House will wish to see it is satisfactorily resolved and the whole House will want to pay tribute to the very firm resolve of the Irish Government."

'A dog's dinner on a lordly dish'

Foot proclaims MPs' right to govern

BY JOHN HUNT

THE CHANGES which the House of Lords has made to the proposed charter on Press freedom were described last night by Mr. Michael Foot, Employment Secretary, as "a dog's dinner on a lordly dish."

He called on the peers to drop the amendments and warned "it is this elected House of Commons that should govern this country and not any other body at all."

Mr. Foot claimed that the Lords amendments were unworkable, blurred and uncertain in their effect and would provide the courts with a field-day in creating judge-made law.

For the Conservatives, however, Mr. James Prior, "shadow" Employment Secretary, said he hoped and prayed that the Lords would stand firm. He urged that the Royal Commission on the Press should be asked to consider the matter and that the Government proposals should be shelved until the Commission's views were known.

The proposal for a charter on Press freedom is contained in the Trade Union and Labour Relationss (Amendment) Bill. The newspaper industry would have a year to draw up the charter and if failed to do so the task would then fall to the Employment Secretary.

Important amendments were made in the Lords by Lord Goodman, the crossbench peer, who is chairman of the Newspaper Publishers Association, and by the Tories and Liberals. The Commons threw out these amendments, but on Monday, the Lords put them back in again.

Last night, the Government was once more asking the Commons to remove the amendments from the Bill and to send it back to the Lords for further consideration next Tuesday.

The Goodman alterations put into the charter the right of journalists to belong to a union of their choice, the right of editors not to join a union and te right of outside contributors to have access to the Press.

His proposals also give the charter a degree of legal backing by saying that any act which breaches it should be deemed contrary to public policy and that nothing in the charter sould restrict any rights under common law.

The Tory-Liberal amendment put by Lord Hailsham and Lord Wigoder give a degree of legal backing to the tribunal which the Government propose should consider breaches of the charter.

The amendment would make the findings of the tribunal "final and conclusive" and would allow an aggrieved party to claim compensation.

Mr. Foot condemned the way the charter was incorporated in the Bill. "It would be a disgrace for the British legislature if law of this character were to be placed on the Statute Book. We would be handing over the subject in the most blurred and uncertain manner to the courts and judges themselves."

No one who looked at the proposals would think they came from a revising chamber. "To me it looks more like a dog's dinner on a lord's dish."

Mr. Prior said: "It is clear that in all their deliberations, the aim of the House of Lords has been to be as conciliatory as possible."

He agreed that this was perhaps not the best Bill on which to consider matters of Press freedom. "That is not the fault of the Opposition, or the House of Lords but of the Government in not thinking this one through when they introduced the measure."

Mr. Prior said the crucial issue was whether a charter would have any real impact unless there was an obligation to keep it and unless an injured party could receive damages. "It is no good having a charter unless there is a remedy for an aggrieved person when the charter is broken."

Mr. Robin Corbett (Lab. Hemel Hempstead) intervening, said that the industry itself was able to create the Press Council. "There is an equally good chance that if we get off the industry's back, they can get down to build a charter and build into it the kind of safeguards you are seeking to put in."

Mr. Prior declared: "The problem about the Employment Secretary is that he is a jolly good talker and precious little else. We are being asked to accept another example of his viciousness against the Industrial Relations Act.

"The attitude of the Lords has been one of utmost conciliation and they have proved themselves extremely valuable as a revising chamber. I hope and pray that they are going to stand firm. If they don't stand firm on the rights of the individual, I don't believe they will be doing their duty, nor will Parliament be enhanced."

When Mr. John Lee (Lab. Handsworth) tried to quote the Parliament Act, the Deputy Speaker (Sir Myer Galpern), told him he was going out of the scope of the debate. "I will not allow a debate on the future of the House of Lords."

Mr. Lee said he thought this was the first time for nearly 30 years that a Bill had been sent to-ing and fro-ing between the two Houses in this way. The last example he could recall was the 1947 Transport Bill.

Problems of the freedom of the Press, including the rights of correspondents, would not be solved until the Press was governed by an independent newspaper authority, statutorily set up with powers of regulation and licensing like the IBA.

Mr. Jo Grimond (L., Orkney and Shetland) urged MPs to accept the Lords' amendments, and then ask the Royal Commission on the Press for its views on the Bill. There could be an amending Bill next year if it was thought necessary after the Royal Commission had given its views.

But Mr. Phillip Whitehead (Lab., Derby N.), a member of the NUJ, said Mr. Grimond's suggestion was not particularly helpful. The Royal Commission already had many serious matters to consider in terms of the mechanics of the Press.

Mr. Brian Walden (Lab., Ladywood) said that Press freedom should not be a matter for the courts to decide. "The operation of such matters when it gets into the courts is capricious in the extreme," he said.

Mr. Walden accused the Opposition of failing to learn the lessons of 1974. "Mr. Prior will not accept that anything other than the law is a guarantee of freedom," he said.

Tax figures 'frightening'—MP

TAX RECEIPTS in the year ended in June amounted to the equivalent of £493 per head of population compared with £163 ten years ago, £214 in 1970 and £333 in 1973, Mr. Robert Sheldon, Financial Secretary to the Treasury, said in the Commons yesterday.

Mr. Edward Taylor (C., Cathcart) described the figures as "frightening." He said that the increasing tax burden was one of the major factors crippling industry and causing unemployment. There should be a reduction in direct taxation.

Mr. Sheldon said that a large element in the increase was directly attributable to inflation. If direct taxation was reduced, it would lead to higher levels of inflation, not less.

Sir Geoffrey Howe, "shadow" Chancellor, argued that the tax burden was not predominantly and inevitably borne by the ordinary population. If tax rates above 50 per cent. were abolished only about 4 per cent. of the £14bn. yield of income-tax would be lost.

Mr. Sheldon insisted that direct taxation could not be reduced without leading to further levels of inflation which were unacceptable.

EEC 'profit' for Britain

BRITAIN'S payments to the European Community budget in the first eight months of this year had totalled £212m. while receipts amounted to £269m.—a "profit" of £57m., Mr. Joel Barnett, Chief Secretary to the Treasury, disclosed in the Commons yesterday.

Prorogation

MPs CAN expect Parliament to be prorogued next Wednesday, depending on progress of business, Mr. Edward Short, Leader of the House, told the Commons yesterday. The new session opens on Wednesday, November 19.

Next week's business

COMMONS business next week will be:

MONDAY: Debate on foreign affairs; Compensation for Limitation of Prices (Post Office) Order.

TUESDAY: Community Land Bill, Lords amendments.

WEDNESDAY: Any Lords amendments that may be received; debate on Welsh affairs.

LORDS debates are:

MONDAY: Policyholders Protection Bill, Commons amendments; Community Land Bill, third reading.

TUESDAY: Trade Union and Labour Relations (Amendment) Bill, Petroleum and Submarine Pipelines Bill, Commons messages; Local Land Charges Bill, Commons amendments.

WEDNESDAY: Community Land Bill, Commons message; debate on Government direct grant policy.

The Executive's World

EDITED BY JAMES ENSOR

Swiss workers don't want shares

Y NORRIS WILLATT IN ZURICH

IVING EMPLOYEES a nancial stake in a business nterprise is of questionable alue as a motivational tool, in e experience of the ederation of Migros Co-peratives. This is the largest etail chain in Switzerland, and as founded 50 years ago by e legendary Gottlieb Dutt-eiler.

Nearly five years ago, Migros unched a new policy of warding all employees a finan-al participation worth 2,500 wiss francs (worth about £450 the present rate of exchange). his would quality for an nnual "dividend" or bonus hich would depend on the nount by which the Group's urnover increased during the ear; but in no case would be ss than 5 per cent. Though new employee would receive s participation within three onths of joining the firm, he ould have to stay for three ears before enjoying the finan-al benefit, which would then retroactive.

The purpose behind the pro-amme was twofold: to duce the rate of labour turn-er which then was running the rate of 27 per cent. a ar and to increase pro-ctivity. At first, it seemed be having the desired effect. uring the first three years, om 1971 to 1973, the labour rnover rate dropped to about per cent. Sales of the Group se at a rate of 13-14 per cent. r annum.

The arrangement was that at e end of three years, employ-s gaining title to their partici-tions, and qualifying for the dividends" payable upon em, could cash them in on aving the firm. This point rived with the end of 1973, that 1974 became the test ar for the validity of the oject. During that year, bour turnover rose again, to per cent.: and the sales owth of the Group declined 11.7 per cent.

Management considered the versal of trend disappointing. the same time, with the vent of recession in Switzer-nd (so that employees became ore interested in job security ce more) the effect of the centive has become more dif-ult to measure. At all events, r the longer term the manage-ent is pinning more faith on non-financial incentives to ep people in its employ and courage them to produce ore.

A Group-wide programme is w under way to devolve more sponsibility, as far as possible, the 35,000 employees at the mpany's 444 supermarkets d other food stores, 78 spe-ialised stores, and manning the mobile shops, which com-ned in 1974 produced 6,186.5m. Swiss francs in turn-over (about £1,125m.). To encourage this, a new system of employee rating has been adopted.

Formerly, the old school report system was used, in which every employee was given a mark from A to D, in descending order of merit. Nowadays, the head of his department has to discuss the evaluation with the individual employee, including such matters as job description, area of delegation, and future goals. At higher levels, already well over 1,000 executives have attended management training courses, and the process is being extended down through the hierarchy.

Migros' problem in cultivating employee loyalty and productivity is compounded by the fact that the Migros Federation consists of 12 autonomous co-operatives, based on major cities, such as Zurich, Geneva, Berne, which are democratically controlled by the 1m. or so members spread among them. The executive committee at headquarters has no power to cooerce them to follow policies of its own choosing.

Decisions must be arrived at by a consensus of all the co-operatives, and with the approval of their memberships. The decentralisation of decision-making tends to strengthen employee loyalty to the individual co-operative, and weaken his sense of participation in the Federation as a whole. It is this tendency which management seeks to correct by its various motivation measures.

These, no doubt, would be approved by the founder of Migros, Gottlieb Duttweiler, who gave away his business to his customers in 1941; 16 years after he had founded it in the face of fierce opposition from the Swss grocers' cartel, which he vowed to break. In 1925, "Dutti," as he was known to everyone, launched a fleet of model-T Ford vans in the streets of Zürich, selling such staples as flour, sugar and rice at a discount of 30 per cent. from prices charged by grocery stores. Since then, it has always been Migros policy to sell below other retailers.

When the grocers tried to get him out of business, by putting pressure on suppliers not to serve him, "Dutti" went directly to the manufacturers, and even set up his own factories to obtain merchandise he could not get elsewhere. He built warehouses to hold stocks for his mobile shops; and eventually opened his own stores. Today, there is a Migros supermarket in every Swiss community of any size, and the Group has pioneered in hypermarkets and shopping centres.

Kenneth Gooding describes the predicament of Herbert Morris

Rescuers face an unwelcome bid

HERBERT MORRIS, the Loughborough crane makers, this week became an unwelcome recipient of a bid.

Ironically, at a time when the Government, employers and unions have been discussing the regeneration of Britain's manufacturing industry, Morris is an example of how it could be achieved.

A new, enthusiastic management team has rescued a company which was struggling to keep its head above water.

Managing director Mr. Patrick McTighe has no doubt what is wrong with a great deal of manufacturing industry. "You will find the stocks-to-sales ratio is all wrong because the company will have too wide a product range and has not repositioned it to meet the changing needs and financial pressures. You will find production constraints due to lack of adequate planning. You will find sales but no marketing, no attempt to analyse the changing needs of the customer or to present the company's products in an imaginative way. And you will find scant information on actual product costs."

Mr. McTighe was faced with all these problems and more when he took over as managing director.

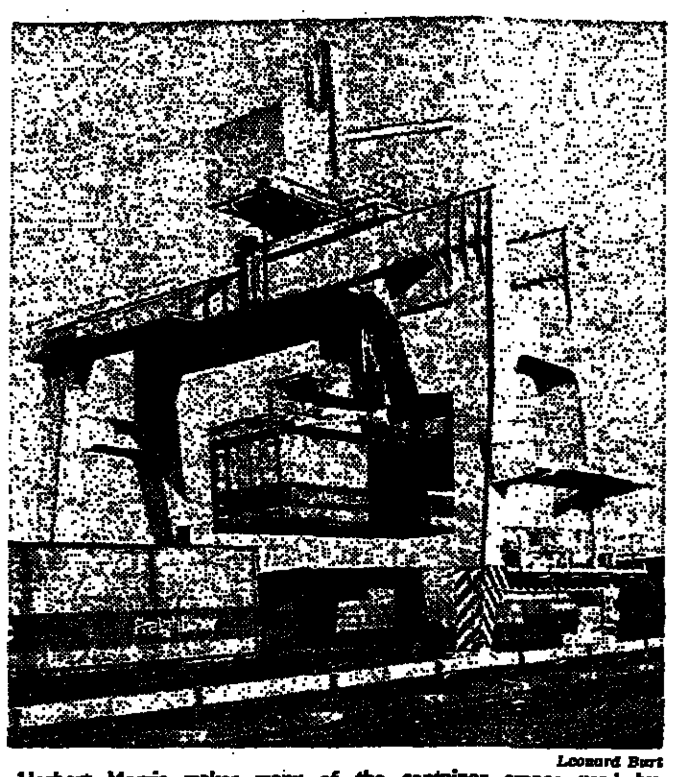
Herbert Morris, which has been making cranes and other lifting devices since the late 1880s, went through a series of traumas starting five years ago. A block of shares representing 30 per cent. of the capital changed hands and new American directors joined the Board. They moved out again after a short stay, and the shareholding was used by the engineering concern E. and H. P. Smith as the launching pad for a bid.

Inquiry

Smith is now Amalgamated Industrials and continues to hold its 30 per cent. AI is in turn owned by Bryanston Finance, a company currently under the cloud of a Department of Industry inquiry. This week AI bought another 4.5 per cent. of the Morris issued capital and, as the Take-over Code requires, has put in an offer for the rest of the shares. Mr. Teddy Smith and Mr. Per Hegard, of Bryanston, are also on the Boards of AI and Morris and, as a result, have had a good view of the changes made to Morris and the changed prospects they brought with them.

All this has taken Morris a long way from being a "family"—although a publicly quoted—company.

The new management team contains some considerable talent. Most of the main Board directors have joined within the past four years. Six of the managing directors at the eight operating subsidiaries have also changed recently.



Leonard Burt

Herbert Morris makes many of the container cranes used by British Rail.

Morris' chairman is Patrick Robinson, previously chief executive of Rio Tinto Mining Company of Australia (from 1950 to 1961) and later a director of Rio Tinto Zinc Corporation and of merchant bankers Kleinwort Benson. Managing director Patrick McTighe trained as an engineer and was chief commercial officer at the U.K. Atomic Energy Authority before he joined Morris.

Deputy managing director is Alan G. Schroeder, a Cambridge-trained engineer and a man with a wide experience in management who joined Morris from the Williams and Williams group where he was managing director.

The rest of the Board, John G. Wood, the operations director — an honours engineering graduate who had a spell in management consultancy and then ran the Stone Platt operation at Crawley; George Read, the marketing director, an engineer who has also been a university lecturer on economics and statistics; technical director Jeffrey Jennings, a chartered engineer with 37 years' experience in the mechanical handling industry, and Barrie Kellie, the finance director, a Scottish chartered accountant who was previously company secretary, will have equally impressive qualifications.

It is somewhat unexpected to find so many heavyweights as professional managers in a comparatively small concern—turnover £15m. and taxable profits £500,000. But the new team has already made considerable changes at Morris. To take Mr. McTighe's points about old-established engineering concerns one by one, it has:

(1) Rationalised the product range and the aim is to cut the number of components used by half—perhaps more. The company just stopped making some unprofitable products. This is making the stocks-to-sales ratio much more healthy.

(2) Consolidated production at the main Loughborough plant and reorganised the production methods. At the same time the company has committed £1.25m. over the past 18 months to double crane-building capacity.

(3) Introduced new marketing techniques. This included splitting the sales force so that, instead of trying to sell every item in the Morris range, salesmen now deal with standard or special or small products. The customers for these products are entirely different and require a different approach.

(4) Analysed and established product costs which have led to the dropping of some products and expansion of production of others.

Morris used to have its sales engineers selling the pulley blocks it makes. That was changed. To-day the blocks are neatly packaged instead of being sold singly and distributed through merchants. "The cost of one call by an engineer was wiping out the profit of those items," Mr. McTigh recalls.

Another example of marketing approach changes, at the heavier end of the range, involves the standard overhead travelling cranes made by Morris. A good deal of the content of such cranes is structural steel which is bulky and expensive to move around. So Morris is exporting crane kits, made up of motors, winches and so on, to overseas markets. "We feel this is the only way it will be possible to get substantial orders for standard cranes," says marketing director George Read. "But it is essential that you chose as a partner someone in the structural steel business because they will have the expertise to put the cranes together properly."

The objective, says McTighe, was "to get more out of what we already had and to diversify into other areas to counter the cyclical pattern of demand for the cranes."

Part of the diversification programme has involved Morris setting up a servicing business called Crane Aid Services, using its own service operation as a starting point. CAS now has depots scattered throughout the U.K. and will service any manufacturer's crane. What was a loss-making part of the Morris business is now a separate profit centre which should produce a turnover of £3m. this year.

Morris also revived its moribund conveyor business with the idea that, as shipyards were becoming major customers for the cranes, they might also buy heavy conveyors too. This has paid off with a £1m. order from the Austin and Pickersgill Southwick shipyard for an integrated handling scheme Morris is to provide an automated plate treatment process line and two panel assembly conveyor lines on which structures weighing up to 100 tons will be built. A and P is buying £2.5m. of cranes for the shipyard as well.

Senelco

The group is also about to resurrect and expand its lift-making business, concentrating on non-passenger lifts in particular.

Perhaps the least likely diversification has been the Senelco shoplifting prevention system which Morris now markets in the U.K. and Australia via a company jointly owned with C.T. Bowring. This is a system where tags are attached to clothing or other goods on sale and are removed by the sales girl when they are paid for. If they are not removed the tag triggers an alarm system near the door of the shop. Patrick McTighe explains that the Senelco business is based on electronics and Morris knows about electronics through its Linear Motors subsidiary. "It is also a marketing situation and we know about marketing," he adds.

McTighe acknowledges there is a long haul ahead. "We have just been getting the nuts and bolts of the operation right. We have miles to go yet."

BRITAIN'S PROBLEMS

Underused resources

BY COLIN JONES

UNDERLYING Wednesday's debate at Chequers on the Government's latest thinking about indsutrial strategy" is the question whether Britain's industrial problems arise from low investment or an ineffective use of eixsting resources of plant, equipment and manpower. Without directly contradicting the Government's own thinking, the National Economic Development Office has circulated a paper for to-day's meeting which argues that the real problem is not so much the overall pattern of industrial investment and employment, which is broadly comparable with that of Britain's main competitors, but the overall level of productivity throughout major sectors of British industry. The need is not so much for more new investment but to make much better use of the resources already available.

To test these and other arguments a special set of questions was added to the normal Financial Times monthly survey of business opinion (which is carried out for the FT by the Taylor Netson Group). The 112 companies interviewed for the survey between June and September were asked to compare the facilities, productivity, and unit labour costs at their overseas and U.K. plants. Of the 112, 44 had plants in developed countries where it was sensible to make a comparison and, allowing for firms with plants in different overseas areas and those with plants making different products in the same area, the replies were based on a total of 82 overseas plants. The sample may be somewhat small in number; but it came from the random selection of industrial companies used in the monthly survey and represented a "good" cross-section both of industrial sectors and of corporate size and reputation. Thirty-three of the overseas plants were located in other parts of the EEC, 22 in Australia or New Zealand, 19 in the U.S. or Canada, and eight in other developed countries.

Three main points emerge from the survey. First, the equipment and processes used at U.K.-owned overseas plants are, in most cases, much the same as here. Secondly, productivity per man hour at overseas plants tends, nevertheless, to be higher than in this country. Thirdly, partly because of the lower U.K. levels of pay and partly because of the higher throughput of the parent U.K. plants, unit labour costs tend to be higher overseas despite the differences in productivity. In other words the sample, such as it is, lends support to the NEDO argument: industrial resources tend to be used less efficiently here than overseas (to which one can perhaps add the point that, because of this U.K. real incomes tend to be lower).

Where productivity was higher in the U.K., the most widely mentioned reason was higher volume of output; and where productivity was higher overseas the reasons were said to be either "the attitude" of the workforce or other factors which are essentially managerial in nature. Where unit labour costs were lower here, the most common reason was wage levels followed by volume of throughput. Where unit labour costs were lower overseas, the cause was predominantly attributed to "the attitude" of the workforce.

The calibre of the facilities employed at these British-owned overseas plants was much the same as here in all three major overseas areas—the EEC, Australasia, and North America productivity per man hour tended on balance, to be better in the EEC and North America but about the same as in the U.K. in Australia and New Zealand. On the other hand, unit labour costs tended to be higher in North America. Australia and New Zealand but about the same or, if anything, slightly better in other parts of the EEC.

LABOUR COSTS AND PRODUCTIVITY AT U.K.-OWNED INDUSTRIAL PLANTS IN BRITAIN AND OVERSEAS*

(No. of Plants)	Equipment and processes	Productivity per man hour	Labour Costs per unit of output
Better in the U.K.	8	14	35
About the same	66	34	21
Better Overseas	4	33	22
Other/No Answer	4	1	4
Total	82	82	82

* EEC, North America, Australia, New Zealand and other developed countries.

USINESS PROBLEMS

BY OUR LEGAL STAFF

xpiry of a lease

hold the freehold of a shop l on a 14-year lease, due to pire on March 22, 1976. We re advised by our solicitor at our tenant would write to between six and 12 months fore expiry of the lease, to aim his rights under Part 2 of e Landlord and Tenant Act. hen he did not do this, we ain went to our solicitor, who en advised us that we should ve given six months' notice to r tenant, although there is thing to this effect in the ase.

Will our tenant now automatically remain at the old rental itil June 1976?

What are my tenant's rights der the Act, and what is the bitration procedure re-agreeg a fresh rental?

our tenant will remain at the d rental until you determine s lease by a notice under ction 25 of the Landlord and nant Act, 1954. If the lease was for a fixed term, the statutory notice can be made effective for any date six months or more after its service, for example, a notice served before November 1, 1975, may terminate the lease on May 1, 1976. You should serve a notice as soon as possible. If a new rent is not agreed it will be determined by the County Court if the tenant makes an application to the court within four months of the service of your notice. The law in this field is very technical, and you would be wise to consult a solicitor.

Schedule E to Schedule D

Referring to your reply of September 17 headed Schedule E to Schedule D, I left Business School in September 1974 and did four weeks lecturing for which I received £1,000. Since October 1974 I have been employed, paying PAYE tax. I was advised to declare the fees for lecturing for assessment under Schedule D, claiming the appropriate allowable expenses against tax, which I did. In the year 1975-76 I have used two weeks of my leave to lecture, thus earning a further £500. (It is unlikely that I shall repeat this in the year 1976-77.)

Am I correct in my understanding that when the Inspector finalises his assessment for 1974-75 he will immediately ask for a similar amount of tax in respect of 1975-76?

If your lecture fees are regarded by the Inland Revenue as in the nature of casual and merely incidental receipts, the assessments may be made under case VI of Schedule D, rather than case II. Case VI assessments are made on the current-year basis, that is the £1,000 arising in 1974-75 would be assessed to tax for that year, the £500 arising in the current year would be assessed for this year, and so on. Case VI has disadvantages, however—particularly on the question of deductible expenses—and you should probably try to establish that you are carrying on the profession of lecturer, so that your profit is assessable under case II.

Although, in principle, case II assessments are made on the preceding-year basis, subject to special rules for the first three years (and the last three), you can elect to have the assessments for 1975-76 and 1976-77 made on the current-year basis, so that the preceding-year basis will not operate until 1977-78. This will probably produce a satisfactory result for you, and in any event you have plenty of time to make up your mind. You will find the detailed rules set out in section 117 (2) of the Income and Corporation Taxes Act 1970.

*

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

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FRIDAY, NOVEMBER 7, 1975

A possible glimmer

THE CBI's interpretation of its regular business surveys has not recently tended to err on the side of optimism, and one is therefore the more struck by yesterday's conclusion that "there is some evidence in the results of this (latest) survey that a turning-point in the utilisation of manufacturing capacity may have been reached." It is necessary, however, to look at the evidence in some detail and then to examine the provisos with which the CBI hedges it about before throwing one's hat in the air.

Some of the evidence is negative. General optimism in the business outlook seems still to be dropping, for example, but rather less steeply. De-stocking of raw materials has been running at a very high level but is expected to drop slightly in the months ahead. Employment has fallen again and is expected to drop further still, but the rate of lay-offs is somewhat slacker. The intake of export orders remains weak, but less weak than earlier in the year. There has been a very slight drop—from an exceptionally high level—in the balance of firms reporting higher unit costs. This evidence is compatible with a turn in the cycle but provides no firm evidence that it is occurring.

Consumer goods

But there are positive indications of a possible turn as well. The most important of these is that referred to in the conclusion quoted above, about capacity utilisation. The proportion of firms working below capacity has fallen since July from 75 per cent. to 73 per cent.—a small drop, but one which past experience of this particular series makes probably significant. The drop has been concentrated on manufacturers of consumer goods, among whom the proportion working below capacity has dropped since July from 78 per cent. to 70 per cent. It is in the consumer goods sector, again, that there has already been a small increase in the intake of new orders, for the first time in over a year; but for the first time in 18 months there is a positive balance of all firms expecting a rise in new orders over the next four months.

New export orders have continued to drop, but less sharply, and there is a positive net balance of firms optimistic about export prospects over the next year. Prices have continued to rise and are expected to go on rising, but the proportion of firms mentioning relative prices as a brake on the future growth of exports is close to its all-time peak. Capital investment, of course, is expected to go on falling and so is de-stocking, though at a slower rate. This lower anticipated rate of de-stocking is probably connected with the fact that the balance of firms reporting or expecting improved liquidity drops from 16 per cent. in the year to October 1975 to only 2 per cent. in the year to April 1976.

Time to act

The picture is therefore a mixed one, and it becomes all the more important to stress certain desirable aspects of official economic policy. First, the continuing spread of unemployment in manufacturing and the fact that the price-advantage of U.K. exports seems to be rapidly disappearing makes it all the more essential to ensure that the voluntary limit on pay increases is made to stick for the full year contemplated.

Secondly, the poor immediate outlook for capital investment makes it the more important to foster industrial belief in the Government's general statements about the need for adequate profitability by dropping those parts of the Price Code which are in any case inoperative because of the growth of competition. Third, since one of the main fears among the business community is that public spending programmes will not be reined back in time to make room for a rise in industrial production, the sooner the Government can announce the effective introduction of cash limits on the cost of particular programmes, the more business confidence is likely to be encouraged.

The evidence on overspending

THE ENORMOUS gap between the Government's announced determination to hold back social spending in the interests of growth, and the actual performance of both governing parties over the last few years, is becoming steadily clearer from the evidence being collected by the House of Commons Expenditure Committee. The Treasury's witnesses have now confirmed the figures put forward by their former colleague, Mr. Wynne Godley: expenditure rose by £5bn. more than planned between 1970-71 and 1974-75. However, they put a different gloss on the figures: about half the increase was due to political decisions, nearly a third of the rest due to the rising burden of debt service, with only 25 per cent of the total increase due to abnormal inflation of public sector costs.

This evidence is encouraging in one respect: if half the trouble is due to political decisions, then political determination to hold back the growth of social spending in real terms can solve half the problem. However, the explanation is a little naive: one of the conventions of public expenditure planning is that the projections are based on unchanged policies about spending, even when it is perfectly clear from the programme of the Government in office that policy changes will be made during the year. There is an (inadequate) contingency allowance but only legislated changes are explicitly allowed for.

Thus, for example, the improvements in the real value of pensions have always come as an addition to "planned" spending; indeed, until the revision of pensions in line with inflation was made a legally binding undertaking, even this political and moral commitment had no place in the relevant figures. The fact is that successive White Papers were known to be misleading by the officials who drew them up; yet in a conspiracy of nonsense, economic discussion was conducted on the basis that each White Paper programme represented the intended burden on the economy. The "political" half of the growth appears to have been largely a matter of pension increases half-concealed in this way, and subsidies which grew with the (under-forecast) rate of inflation.

It may be that officials of the Treasury and the Bank gave private warnings to their political masters but the faulty economic forecasts of growth and inflation which have been published suggest that any such advice was too mild.

On top of this, the failure to take a view of the terms of trade, and thus the growth of national disposable income rather than output, led to over-optimism about the volume of resources available for all purposes. It was because he did make these projections that Mr. Wynne Godley saw trouble coming so long before his late colleagues did. The evidence, in short, is of inadequate control methods based on an inadequate economic assessment.

Right noises

This second, non-political half of the problem may well prove to be the tail which wags the dog. Realistic White Papers based on all known policies—on the principle that it is better to be roughly right than precisely wrong are required if the political process is to be well informed: effective control of costs as well as volumes is required if political decisions are to stick.

Some of these problems, at least, are now receiving urgent attention in Whitehall. At Chequers and elsewhere, the Chancellor has been making the right noises about his future intentions. In one respect, however, the Chancellor continues to sow doubt about his sincerity: his repeated refusals to consider any immediate spending cuts because of the recession. If Mr. Healey really believes that an immediate attack on public waste, *with a corresponding cut in taxes*, would further depress the economy, some more days in the company of industrialists and trade union leaders should disabuse him.

The stakes in President Ford's New York gamble

From GUY de JONQUIERES, New York, November 6

NEW YORK City is now on the last lap of a race towards what appears to be inevitable default. If President Gerald Ford maintains his adamant refusal to sign any Federal legislation to assist the city, D-day is likely to fall early next month, unless State authorities can raise $150m. to complete their next aid payment to the city.

The approaching deadline has produced an outpouring of strident rhetoric from the protagonists in the crisis exceptional even for the American political scene. New York officials, led by Governor Hugh Carey and Mayor Abraham Beame, have been orchestrating a rising chorus in which banking, business and labour leaders have joined in making increasingly dire predictions about the consequences if the city is allowed to default.

Normally reserved bankers have come close to emotionalism while entreating Congressional committees to approve aid legislation. Consolidated Edison, the city's sole supplier of electric power, has said that its survival may be threatened if New York is allowed to slip into bankruptcy, and Mayor Beame has warned repeatedly that the repercussions of a New York default will be felt by other cities and the U.S. economy as a whole.

Puritanical metaphors

On the other side, President Ford and his advisors have framed their case in coldly puritanical metaphors, chastising New York as a wastrel which has squandered its resources and which must be subjected to harsh retribution. Mr. Ford has argued that the broader impact of a default will be negligible: since he is clearly sensitive to the importance of New York as an issue in next year's election, presumably he believes this to be true.

At the Federal Reserve Board, Dr. Arthur Burns appears to be in some discomfort and has given a convincing impression of a man torn in several directions. On the one hand, he said that he does not favour Federal intervention—but on the other, he has indicated that if Congress wants to approve aid legislation it should act before it is too late. But then again, he has also hinted that he might change his mind.

During the next few weeks, this verbal warfare seems likely to intensify, and an already confused and uncertain situation will probably be muddled even further. It will thus become increasingly difficult to separate the underlying realities from the swirl of rhetoric and political double talk which surround them.

In trying to determine what is really at stake, it is important to distinguish between the probable short-term effects of a default and the consequences which may show up in the longer term. In the short term, Mr. Ford's own assessment that the credit markets will undergo some strains, but that these will prove largely temporary, has not been seriously disputed.

For one thing, the financial markets have already gone a long way to discounting the impact of a default. The city's outstanding debt has dropped so heavily in price that its value might fall further only if it were declared entirely worthless. Several large banks have already written off the losses sustained by their trading departments on holdings of city paper.

A rainy day in New York adds to the city's gloom: the default which now appears inevitable could be to the tune of $12bn., with the steady erosion of the city's economic base an important factor in its problems.

The stability of the banking system does not appear to be in serious jeopardy, and the Federal Reserve has made clear that it will intervene extensively to bail out any bank threatened with failure as a result. Indeed, the recent relaxation of Fed. monetary policy appears designed in part to assuage the anxieties which New York's crisis has already created in the markets.

The stock market has indisputably been overshadowed by New York's problems—and may well remain so until the city's fate has been decided. Wall Street tends to abhor uncertainty above all else—and some more optimistic analysts believe that, by ending the suspense, a default could prove a tonic. This thesis rests heavily on the analogy with the bankruptcy of the Penn Central in 1970 which was followed soon afterwards by one of the most vigorous and sustained bull markets of recent years.

This short-term scenario would, of course, be radically altered if New York State were forced to follow the city into default. Its own credit has been called into question since it stepped in to help the city and several of its housing agencies are in financial difficulties. This, according to Governor Carey, could prevent them from meeting their obligations. But while a state default remains a possibility, the general view at present is that it can be avoided.

Assuming that this proves so, the full implications of a default by the city are not likely to be apparent for some time. Among those to feel the chill winds first will be the commercial banks and especially the dozen or so major New York City banks which hold, perhaps, a quarter of the debt issued by the city, and the New York Municipal Assistance Corporation.

The six biggest metropolitan banks are estimated to hold about $1.7bn. of debt issued by the city and by the Municipal Assistance Corporation. As a proportion of equity, these holdings are estimated to range from as much as 44 per cent. in the case of Chemical Bank to as little as 15.6 per cent. in the case of First National City Bank, with Chase Manhattan Morgan Guaranty, Manufacturers Hanover, and Bankers Trust all somewhere between the two extremes.

In itself, a default would almost certainly not inflict critical damage on the banks. But it would add significantly to the difficulties which they already face over problem loans to real estate investment trusts (REITS), some of the airlines and other commercial borrowers that have been weakened by the recession. The bank's aggregate exposure on these latter commitments is greater even than their potential losses on New York City paper.

At the least, unravelling these entanglements will continue to place heavy pressure on bank earnings, which in many cases have been growing at a slower pace in the second half of the year because of the narrowing of the spread between lending rates and the cost of borrowed funds. This in turn will affect capital ratios and perpetuate the stock market's disenchantment with the banks as a group, which has already made it virtually impossible for them to raise new equity capital.

There are many larger banks in other parts of the country which for years have coveted the business enjoyed by the big New York banks and which would welcome an opportunity to poach some of their blue chip customers. They are eagerly awaiting the fall-out from the New York city crisis. It is extremely doubtful, however, that they could compensate for the overall impact on the volume of bank lending that would result if the New York City banks were forced to cut back on the level of new loan commitments.

Mr. William Simon, the Treasury Secretary, has pointed out that no less than $45bn. was raised on the municipal bond markets in the first half of this year and argued therefore that they are functioning efficiently. But he failed to mention that in most cases these financings were made at a sharply increased cost: municipal bond yields were still rising earlier this year when other interest rates were falling, and the spread between yields on high and lower quality issues has widened significantly.

Further rises in municipal borrowing costs will undoubtedly lead to additional cutbacks in State and local spending, which has been growing at a reduced pace in most parts of the country since the middle of last year.

The impact of such retrenchments on the economy as a whole is considerable. State and local government spending has been one of the fastest-rising components of the economy until very recently, growing by about 10 per cent. annually. It now accounts directly for about one seventh of the Gross National Product and a similar proportion of national employment.

According to a forecast prepared by Data Resources Inc., a New York City default would result in a reduction of a full percentage point in the rate of economic growth between the final quarters of 1975 and 1976 and increase the number of unemployed by about 300,000. It would also widen the Federal budget deficit by about $4bn. by lowering tax revenue and raising the level of unemployment benefits.

If this forecast is to be believed, some of the steam would be taken out of the U.S. economic recovery, but it should still proceed at a respectable pace. The bare figures do not, however, reveal the whole truth: for quite apart from the essentially unmeasurable effects that a default might or might not have on economic psychology, there are other reasons for fearing that Mr. Ford's policy could have much more far-reaching adverse consequences than is generally recognised.

Whether or not one sympathises instinctively with Mr. Ford's position—and a good many Americans undoubtedly do—it is based on one large and extremely questionable assumption. This is that New York City is still capable of pulling itself up by its own bootstraps, provided that its citizens are willing to try.

The city's system of financial management is grossly outdated as well as grossly abused. Its mechanisms for projecting cash needs are almost mediaeval and its record-keeping system is so inadequate that no one knows for sure exactly how many people are on the municipal payroll. The city's pension funds run on actuarial assumptions calculated at the turn of the century, and the unfunded liabilities are huge.

Mr. Ford appears completely to have ignored such considerations. His proposals for new legislation to permit an "orderly" default fail to acknowledge that, even if the city is relieved of its debt service burden, it will still be at least $1bn. short of meeting its payroll and welfare costs over the next three months.

The legislation provides for the issue of short-term notes under the supervision of the Bankruptcy Court, but it is highly doubtful that these would be purchased by an investing public that has avoided city debt like the plague for six months. Indeed, whether the proposed bankruptcy legislation can ever be implemented is open to doubt: it is almost certain to face legal challenges that could tie it up for months.

It is undeniable that a good many of New York City's problems stem from lax, possibly even corrupt, fiscal management, and it is probable that the executives of any corporation that was run as badly would be sued for fraud. But an equally important factor has been the steady erosion of the city's economic base.

Statue of Liberty

High taxes, crime, and monolithic bureaucracy have encouraged a steady exodus by wealthier individuals and manufacturing industry. Their place has been taken by a poorer immigrant population, attracted by the city's generous social benefits but unable to contribute to the costs. This process has made a cruel mockery of the inscription at the base of the Statue of Liberty: "Give me your tired, your poor, your huddled masses yearning to breathe free."

There seems little hope that the impetus for reversing this trend can be generated by the city alone. But unless this can be achieved, New York faces the prospect of an accelerating decline which could turn it into a huge urban running sore which would continue to ooze for years to come. In the end, the only expeditious course might prove to be Federal intervention, but by then it might be too late to effect any cure.

These are the stakes involved in Mr. Ford's gamble. With an election only one year away, he now perceives that his interest lies in appearing to be a bold and decisive leader determined not to be deflected from his purpose, rather like Moses crossing the Red Sea. But if his calculation fails, he could end up looking more like Moses' pursuers as the sea closed over them.

MEN AND MATTERS

Sime doubles up again

After Dennis Pinder (last month sentenced to 18 months' imprisonment for breach of trust) left Sime Darby, the Singapore-based company split his chairman and chief executive roles. Yesterday came the announcement that the jobs are again to be done by one man, 54-year-old Jim Bywater.

But that does not indicate another reversal of policy. Tan Sri Tan Chin Tuan, at 68 a director of some 38 other companies and one of Singapore's best-known businessmen, declares that with his retirement from the chairmanship, Bywater is adding to his existing chief executive responsibilities "on the understanding that these functions will again be separated at the earliest practical date."

Bywater admits that when he took the Sime job at the end of 1973, his knowledge of the Far East was more or less nil. His management record was what counted. Until 1965 he was with Ford, eventually becoming assistant general manager of the tractor side. From there he went to Kayser Bondor, then to GKN and finally Plessey before joining Sime.

One of his first decisions out East was not to get involved with the case apart from overseeing the recent £350,000 settlement of the company's claims against Pinder and Angus Scott, another former director.

Bywater concentrated on replacing a largely autocratic administrative structure with a more efficient organisation, and he reckons that as many as 40 of 120 or so top executives have joined Sime Darby in his two years. Many of these are British, but he insists that no one claiming disenchantment with the U.K. in general or its tax affairs in particular would get a job. Just such an applicant has been turned down in the last few days, Bywater says.

On the other side of the coin, his re-structuring has led to some 40 people leaving, but "I tried to do it without trauma." As to the future, Bywater emphasises that despite the pre-eminence of Far East operations, Sime is not lukewarm on Britain. The movement of group shareholdings from Britain led the Bank of England to push for Sime to relinquish control of the Clive Holdings discount house.

Bywater bows to the Bank's "proper concern" and is pleased at the cash released in the U.K. One idea he has is for joint operations between Sime's overseas and British subsidiaries like W. F. Stanley, a Kent-based instrument and technical product maker venerable enough to have a technical college named after it. Stanley was acquired this summer.

As for the political future for companies like Sime Darby in places like Singapore and Hong Kong, Bywater puts the risks of major anti-capitalist upheaval in the years ahead no higher—and no lower—than those in Britain. But hasn't the Slater Walker / Haw Par upheaval damaged the Western business image? "These sort of things are strictly seven-day wonders," says Bywater. "We've had our own basinful."

Harold's howlers

Harold Wilson is not well-known for his willingness to admit mistakes but the redoubtable Bill Shankly—beloved by the Kop as former manager of Liverpool FC and now doing a series of chat shows on Radio City—the Merseyside commercial station has talked him into

"He wants the Jaguar but I'm hoping to sell him the Avenger."

disclosing what he thought were two of his biggest mistakes during his premiership.

In an hour long interview being broadcast to-morrow Wilson singles out his handling of the Rhodesian crisis in the '60s and, presumably referring to the 1967 devaluation, his handling of the economic situation in the same period. On Rhodesia he comments, "I thought they really were willing to negotiate and get a solution and I went on. We had meetings on HMS Fearless and HMS Tiger. I went there and I think I put a lot of energy into it but it was wasted."

On the economic side he commented: "I think one other thing I under-rated was the economic situation. I did not realise how virulent could be an attack on sterling, sometimes from people just talking and gossiping without really knowing the facts. I was trying to build up the industrial strength and didn't allow enough, I think, for the fact that we could be knocked sideways by a run on sterling. We learned a lot from those days." There's a lot of people fervently hoping he's right about that.

Pringle drops DDB

Even in the compulsively colourful world of top advertising men, John Pringle is reckoned flamboyant. He has divided his time between heading the British end of the American-owned Doyle Dane Bernbach and being heavily involved diplomatically with Jamaica, being special assistant to the island's Premier and deputy high commissioner in the U.K.

Now, he is resigning his chairmanship to concentrate on the Jamaican connection and "other business interests both here and in America." Like Pringle, DDB seems to have a taste for the dramatic: one day in 1971 the agency dropped seven accounts in one day because the advertisers were not spending enough.

Pringle's prosperous Jamaican base is due to his grandfather, doctor to Queen Victoria, who showed her gratitude by giving him 159,000 acres of sugar estates. This has shrunk to 12,000 acres when John Pringle quit sugar for the wider world, at one stage being Director of Tourism before joining DDB in 1967.

Petrol pump

Sign in the Nevada Desert: "This is the last garage for 200 miles. After us any garage is a mirage."

Observer

…ICS TO-DAY

BY DAVID WATT

Chequers: a strategy of movement

THE Government's new "industrial strategy," to say nothing of the Chequers meeting at which it was blessed and the various Press conferences and interviews in which it was propagated *urbi et orbi*, are obviously going to arouse deep suspicions. The whole affair has an atmosphere, ritualistic and dogmatic, that does not appeal to the predominant scepticism of the media. One can already hear the objections. Haven't we been here before? it is asked. How can Government possibly decide where to promote industrial investment? Isn't this simply another example of flight from reality—a flight from the failures of overall demand management into the reassuring thickets of micro-economics?

Hazy idea

It is hard to answer these questions except in terms which he questioners would not accept as valid. We *have* indeed, in a way, been here before— several times—and the attempt to plan ourselves into economic growth certainly cannot be assumed to be any easier now than when the National Economic Development Council was first set up in 1962. Again, it is fairly clear from the Government's strategy paper that neither the Treasury nor the Department of Industry has more than a hazy idea at present of what the criteria, for picking winners—or more realistically avoiding losers—in the search for worthy recipients of Government assistance, might be. Finally, there *are* undoubtedly elements, both of despair and fashion, in the Government's approach.

The best that the Government can say for itself with any certainty on the technical side of the argument is that it has some chance of doing what it sets out to do providing (a) that it does not expect miracles; (b) that it admits that even limited successes cannot be achieved except on a long time scale and (c) that it pays attention to the copious lessons of past failures and a few past successes in this field.

But in fact the technical side of the discussion is not really the most important one. The Chequers meeting is first and foremost an exercise in politics —an exercise conducted on two levels. On the one hand the Government is attempting to persuade the trade union movement. This is not easy. Ministerial strategy calls for sizeable cuts in public expenditure with resulting effects not only on the social wage but also *on probable redundancies and* pay difficulties in the public sector. Nothing in the world can prevent an outcry about this from the service unions and a general deepening of disapproval at the rising unemployment figures. But at least by promising the commitment of the State to the expansion of manufacturing industry, together with the "socialist" sanctions of planning agreements and the National Enterprise Board, the Government is soothing the irritations of the powerful industrial unions and also of the old-fashioned centre of the union movement.

Exactly what political mileage can be got out of this remains to be seen. But I am absolutely certain that many Ministers, including the Chancellor, *expect that all this will* contribute to an atmosphere of optimism and purposefulness in which the unions will be prepared not only to accept the public expenditure cuts, but more important still, to cooperate during next spring and summer in the formulation of ananti-inflation policy to follow on after the £6 limit.

In this sense the Government's industrial initiative is concerned at least as much, if not more, with incomes policy as it is with the problems of investment. The political dividends from investment and growth will not, after all, be felt for several years and perhaps not before the next general election. Meanwhile, as one senior trade unionist remarked yesterday: "After what they said at Chequers I reckon I can make one more speech at the Congress—just one—saying we owe it to the Government to exercise restraint in return for what they've done."

The second level at which Mr. Wilson and the others are operating is that of public communication. The spectacle of industrial confrontation and decay presided over by an impotent Government is disastrous politics, being jam for the Opposition as well as demoralising for the electorate. By contrast, a grand strategy endorsed by "both sides of industry" at *a meeting presided over by the* Prime Minister and his senior colleagues is a fillip for everyone—with the possible exception of Mrs. Margaret Thatcher. The man in the street likes it, the stock market likes it, and even industrialists may feel marginally more cheerful and investment-minded as a result of it.

Is it still wrong, though? *Sceptics who have just read the* last paragraph will no doubt burst out that it is this kind of facile, cosmetic politics—the particular speciality of Harold Wilson—that has brought us to our present sorry pass. This point of view (embellished with denunciations of the "sham" of pretending that the TUC and the CBI are comparable in any way, and the "corporatist danger" of talking to them at all in this way) is the fashion*able tenet of the new* Conservatism and the neo-Cobdenite economics that lies behind it. But in this case it is not an adequate critique.

Ashley Ashwood

The two principals in the Government's new "industrial strategy," Mr. Harold Wilson and Mr. Eric Varley, after the Chequers meeting: its proposals are unlikely to do much *harm and may at the margin do some good.*

For one thing, the initiative is not really as empty as all that. Even those who are most dubious about economic planning as such will probably admit that, in the modest form foreshadowed in the Government's paper, the proposals are unlikely to do much harm and may at the margin do some good. But even if one admits an objection in principle to the Government's getting a little further enmeshed in micro-economic tinkering, this has to be set off against the real advantage of persuading the unions to acquiesce in a shift of some significance from consumption and service industry into manufacturing investment. The "prize" of getting trade union co-operation in the formulation of a new incomes policy will not impress the neo-Cobdenites much, since they reject incomes policy as pernicious anyway. But at least half of the Conservative Party and half the fraternity of academic economists would agree that that, too, was something worth having.

Fundamental

The much more fundamental objection to what is being done arises, *of course, from this* question about the proper relation of government to interest groups in modern conditions and in particular to the two institutions which claim to represent opposing sides of the industrial argument—the TUC and the CBI. It is said first of all that these are bogus constructions with whom it is impossible for the Government to do a "deal" since neither can deliver the compliance of their own cohorts with the bargain which has been concluded. It is further argued that even if one could conclude a deal with them this would be both foolish and disgraceful—foolish because it would prevent the beneficient play of market forces, and disgraceful because undemocratic.

It is possible to accept a certain amount of the first charge. There is obviously a good deal of make-believe about both these bodies and even more about the idea that they are in any way equal partners (or *opponents*). Yet *both do have* genuine negative powers in their separate ways. The TUC General Council does contain in it the leaders of the most powerful unions in the country and if they are hostile collectively as well as individually there is trouble in store. The CBI is too amorphous to be a direct threat to Government and it has no sanctions that do not involve the extinction of its own members. All the same, it acts as a sounding board for discontent and pessimism which can be highly damaging to any Government's economic strategy. For many purposes the Government must do business with individual barons on both sides of industry, but if it can get the agreement of either collectivity (or both) it is exposing the individual barons to important additional pressures.

It is all very well in theory to say that the Government should not enter into this sort of agreement on the grounds of economic or constitutional principle. But in practice it has got no choice. There was, no doubt, a time (though it has not existed in this century) when the main interest groups in this country were directly represented in Parliament. The landed interest, the manufacturing interest, the railway interest, the West India interest, the East India interest and all the rest had powerful representation either in Lords or Commons and in the days before strict party discipline, a consensus of their conflicting claims, together with those of a Government representing the national interest, could be hammered out.

Nowadays, this is not possible. The interests approach White*hall direct and there is no way* of hammering out a policy which will produce the minimum friction all round as well as protecting the national interest except by "undemocratic" negotiation. And even here television has come to the aid of democracy where Parliament has failed. For it is clear that the public at large is far more aware of the issues, and the parties are far more exposed to pressure, as a result of media coverage of the Chequers meeting than they would be after a dozen economic debates at the House of Commons.

Depressing

This is all very depressing to purists, but the ability of Mr. Wilson and Mr. Denis Healey to make the trade unionists stand up before television cameras and bear witness to uncomfortable truths represents the most successful way in which a modern politician can outmanoeuvre "over-mighty subjects." It is also, I should add, one way of giving some appearance of movement and of hope to the industrial scene. To prepare a psychological climate of this kind and then allow it to dissipate in failure is no doubt a grievous political error but the creation itself may be an important element in a successful strategy. It probably goes against the grain to be exhorted by Mr. Wilson to "pull together for Britain" and all that, but I notice that those who would criticise him most are the most vociferous in their applause for the Archbishop of Canterbury when he says something not so very different.

Letters to the Editor

Elimination of equity capital

…rom Mr. C. Joseph.

Sir,—I would take issue at Sir …ernard Millers' remarks (re…orted November 3) regarding …e abolition of equity capital. … should not be forgotten that …e vast majority of shareholders …n this country are the ordinary …eople either directly or, …hough they may not realise it, …hrough their pension funds. …urthermore, the trade unions …hemselves are large holders of …rdinary shares in many Britisn …ompanies.

One should, of course, put the …ecord straight by saying that …e object of share ownership is … people aiming at preserving …pital values of their money …hrough investment in good …ofitable companies. This …enefits society at large not least …e workers in those industries …d, by workers, I mean all em…oyed therein, both shop floor …perators and management.

While I would agree that …rtain excesses practised by a …w individuals should be de…ored (that is, the wheeler …alers of this world) the pro…ortion is very small indeed. It … essential that there is a free …pital market to ensure funds …e *available from the public* … finance any worthwhile pro…ct in the private sector.

For too long, Governments of … parties regard income from …vestments as something not …ite clean whereas they over…x the public and happily print …oney (thereby creating infla…on) to either prop up doubtful …dustries or finance dubious …ntures such as a welfare …stem, which is open to all sorts … abuse merely to gain votes.

What this country needs more …an anything else is an out…ard looking society bent on im…roving itself by effort and …nterprise not by levelling down … the lowest common denomina…r. We need to encourage the …ider ownership of equity …pital by the individual not …ss.

… S. Joseph.
… Oakley Wood Road,
…lihull.

Diffusion of power

…rom Mr. A. Henfrey.

Sir,—Mr. Ehrmann (November …, like so many who actually …perate the free enterprise …stem, makes a regrettable mis…ke in stating that "the only …*gument in favour of the* …apitalist system is that competi…on enforces efficiency."

Overwhelmingly the most …portant argument in favour … capitalism is that it leads to …e diffusion of economic power …way from government and that …onomic liberty is a necessary …econdition of political liberty. … society in which economic …ficiency were the primary ob…ctive would not be the one I …ould choose to live in. Neither …ould it be capitalist. I write … a capitalist.

…nthony Henfrey.
…esearch Secretary,
…e Selsdon Group,
… Symons Street,
…oane Square, S.W.3.

Brunel's Great Britain

…om Mr. R. Goold-Adams.

Sir,—It has surprised me that … all your fascinating reports …out the Financial Times …ipper Race you have never …entioned the original Great …ritain, now so famously open to the public in Bristol, where *she is being restored* after her salvage from the Falkland Islands in 1970. Before the Great Britain II was launched by Princess Anne we of the ss Great Britain Project had to agree to the use of the name.

Brunel's original 3,000-ton Great Britain, launched in 1843 as the first propeller-driven transatlantic liner, was a steamer with auxiliary sails. But in 1852, under change of ownership and specifically for the Liverpool-Melbourne run, she was converted to being a sailing ship with an auxiliary engine.

In this guise she made 32 voyages to Australia between 1852 and 1876, going out by the Cape of Good Hope and back by Cape Horn, just as the Great Britain II is doing now. In 1869, the year the Patriarch set up the purely sailing ship record of 69 days from London to Sydney, it is of some interest that the Great Britain in fact made two outward voyages from Liverpool to Melbourne, the first in 59 days and the second in 62 days. Her best time was 54 days, in 1872, and on her very last Australian voyage, in 1875, she sailed from London—the only occasion she did so—to Melbourne in a similar 54 days.

The popularity of the Great Britain was partly due to her regularity, which sprang from *her ability to use her screw when* the wind failed. But the fact that, in those historic transitional years of change from sail to steam, her clipper lines sometimes enabled her to outdistance even the best of her sailing ship rivals is surely relevant to the background against which you have sponsored this great race to-day—and particularly in view of her name.

Richard Goold-Adams.
Highfield House,
Binley, near Andover,
Hampshire.

Felixstowe port

From Mr. A. D. Pudney.

Sir, — I would like to make my views known in reference to the proposed take-over of the Felixstowe Dock and Railway Company by British Transport Docks Board.

The net asset value per share as stated in the conditional offer document is 196.5p, but there has been no revaluation of the port since June 30, 1958, plus additions since at cost. The real figure to-day could well be double (net asset value was the basis for nationalising Court Lines subsidiary ship building interest when Court Line *went* "cap in hand" to the Government).

I fully understand that the realisation of these assets is not a practical option, but there is no reason to suppose that when the upturn in trade does take place these assets will not earn an amount commensurate with their net worth.

The recent expansion of the dock, despite recession and high interest rates, has, I believe, *been* successful. Yet, from the shareholders' point of view, who put up £2¼m. in the form of a rights issue at £2 per share in early 1972, if this bid goes through, this expansion should never have taken place. So much for the Governments, both past and present, call for investments?

As regards the port's need for cash, one would have thought that after three years' expansion, *it would be prudent* for a period of consolidation to now take place.

In the year ending June 30, 1975, the Felixstowe Dock and Railway Company had a cash flow in of £545,000. Since then, it has received £660,000 from the part-sale of the subsidiary.

To pay for the ever increasing cost of running the port we have this coming year, a full year's use by International Paper Corporation, Tour Lines and European Ferries. Furthermore, we have the anticipated increased use shown by the British Anzani and Christian Salvesens recent developments, not forgetting the probable increased traffic coming through the port due to the sale of the subsidiary. All this information is in the chairman's statement in the Annual Report. On July 1 1975 a 25 per cent. increase in charges took place.

It seems to me that the Board has perhaps been frightened by the threat of nationalisation of the Port, which incidentally could also be frightening a private consortium from making a counterbid. (Arthur Smith, Financial Times, October 30).

One can understand that nationalisation by a vindictive Government could be worse than the present offer for all concerned, but it should be remembered that the present Government has only an overall majority of one. I feel it is time that people acted for that which they believe in and not that which they are frightened into.

I believe that the Board is under-estimating the feelings of the shareholders and the help that we, as shareholders, can and should give to the Board for the mutual benefit of employees, customers and ourselves. For these reasons I believe shareholders should complete their proxies and reject the offer (of £1.50 per share in nearly a year's time). I would like to see not only the necessary 25.1 per cent. of the shareholders against the offer, so as to defeat it, but an overall majority against it.

I finally end by quoting from Mr. H. Gordon Parker's statement in the annual report which arrived to shareholders but a month ago, ". . . despite the gloom and uncertainty, look for*ward to its* (the Port's) continued prosperity."

A. D. Pudney.
Little Hyde Farm,
Ingatestone, Essex.

Nostalgic trading

From Mr. N. Snodgrass.

Sir,—What a pity that Mr. Reg Abbis (November 1) did not complete his picture of the telephone service by comparing the trading result of the nostalgic years 1923 and 1927—suitably updated—with the current outcome. Would he now care to rectify his omission?

N. Snodgrass.
Confederation Life,
Sheffield Branch,
Pegasus House,
463a, Glossop Road,
Broomhill, Sheffield.

Health Services Commission

From Dr. A. Brown.

Sir,—As there is little doubt that no responsible Government will allocate a higher proportion of the national income to the Health Service than it is at present receiving, the major task facing the Royal Commissioners will be to see how this money can best be spent within the administrative boundaries of the service. Because of the urgency and the magnitude of this exercise, there could well be a degree of pressure for the Commissioners to interpret their terms of reference more narrowly than seems to me desirable and for their report to be overloaded with management considerations

It is important that they should not neglect to set the NHS as a whole in the perspective of the total activities which contribute positively or negatively to our health. The NHS is a misnomer . . . it is a National Sickness Service. The proportion of its interest and resources devoted to promoting health and preventing disease are, percentagewise, very small. They can only be relatively minor factors in determining the nation's health status, since the really important factors which decide the level of our health lie in the physical and social environment. Housing town planning, water supply, waste disposal, pollution and, above all, education are dealt with by a multitude of economic and social institutions spread throughout Government and the community. The health component is handled as a minor part of a major operation, often almost without being thought of as such Our national health status is relatively good, but there is much room for improvement. In the area of mental health, for example, there seems to be deterioration rather than advancement. *We cannot look* realistically to the NHS for measures to arrest this trend, never mind taking effective action to promote a higher general standard of both physical and mental health.

The reorganisation of local government ensured a more coherent enforcement of public health legislation by generally concentrating it at district council level. Consigning the medical officer of health to history and partly replacing him by community physicians thinned the ranks and the authority of those positively interested in health as opposed to sickness. Community physicians are being increasingly sucked into the whirlpool of the problems of hospitals, general practitioners and the like. Resources for the *investigation of disease out*breaks are fragmented. In the longer term one must ask where future health strategists will gain the wide experience they need. New health hazards must arise in our rapidly changing society with its advancing technology and the emerging view of the environment as an entity is evidence of a growing public awareness that threats to health have a new dimension. Health is not easily *separated from* economic and social practices and its promotion and the prevention of disease and disability are so much part and parcel of other activities that there is less positive thinking about it, and investment in it, than it merits. The benefits are long-term, impersonal and for the mos part difficult to quantify. Where responsibility for health and sickness are vested in one *authority health will always be* the Cinderella. That is something we can ill afford.

The Royal Commission could do a serious dis-service to health if it limits its inquiry to the National Sickness Service. They would only be dealing with a part of the problem, and in the last analysis, the lesser part. Perhaps I am misjudging the Government and underestimating the future Commissioners, but I, would rather do this than fail to sound a caveat based on a professional association with many Governments and their health activities.

A. E. Brown
Lord Nelson House,
Fingringhoe, Essex.

To-day's Events

GENERAL

President Sadat of Egypt holds talks with Mr. Harold Wilson, Prime Minister, and other Government Ministers. He also meets delegation of U.K. industrialists planning ventures in Egypt and is guest-of-honour at lunch given by Corporation of City of London at Mansion House.

Mr. Peter Shore, Trade Secretary, begins visit to Mexico.

Sir Murray Fox hands over emblems of office as Lord Mayor of London to his successor, Sir Lindsay Ring, in Silent Ceremony at Guildhall.

Duke and Duchess of Gloucester on official visit to Philippines.

Mrs. Margaret Thatcher, Opposition leader, visits Norwich and Lowestoft.

William Tyndale School inquiry *continues, County Hall, S.E.1.*

International Coffee Council meeting continues, London.

PARLIAMENTARY BUSINESS

House of Commons: Debate on aid policy. Motion on European Communities (Definition of Treaties) (No. 2) Order.

House of Lords: Cinematograph Films Bill, committee. Hare Coursing Bill, second reading. Lord Mais will initiate debate on 34th Report of European *Communities Committee on draft* EEC budget for 1976.

COMPANY RESULTS

Lister and Co. (full year).
Wolseley-Hughes (full year).

COMPANY MEETINGS

Adwest, Dorchester Hotel, W.12.
Williams Hudson, Winchester House, E.C., 11.30.

EXHIBITIONS

Scottish Motor Show opens, Kelvin Hall, Glasgow.

International Caravan and Camping Show continues, Earls Court.

Careers for '76 Exhibition continues, Queen's Hall, Leeds.

Environmental Design at St. Katharine-by-Tower Exhibition *continues, Design Centre,* Haymarket, S.W.1.

Italian Furnishing Fabrics Exhibition ends, Italian Trade Centre, 20, Savile Row, W.1.

OPERA

Royal Opera production of La Bohème, Covent Garden, W.C.2, 7.30 p.m.

MUSIC

London Bach Orchestra, conductor Martindale Sidwell, with Tess Miller (oboe), David Butt (flute), Barbara Hill (harpsichord) and James Lancelot (organ) play Bach's Brandenburg concerto No. 3 in G, harpsichord concerto in E, and Suite No. 2 in B minor, Marcello's oboe concerto in C minor, and Handel's organ concerto in B *flat, Queen Elizabeth Hall, S.E.1.* 7.45 p.m.

COMPANY NEWS + COMMENT

Wood Hall Trust better than forecast

AGAINST THE May forecast of £5.5m., group pre-tax profit of Wood Hall Trust amounted to £6.06m. for the year to June 30, 1975, a fall of £2.32m. compared with the previous year, after £3.67m., against £4.45m. for the first half.

Stated earnings per 25p share for the year decreased from 15.8p to 11.4p. The dividend is the foreshadowed maximum permitted 3.941p against 3.693p net.

As to the current year the directors warn that a further reduction — "appreciable or even substantial"—must be expected.

They report that first quarter results are poor due to the further deterioration in conditions occasioned by the world-wide recession and, in addition, in Australia, to the continued depression in the rural industry, industrial labour problems and the uncertainties created by the political crisis.

Consequently, first half results will fall well below those for the corresponding half-year of 1975. But it is hoped that conditions will improve in the second half.

Ordinary holders' funds, as at June 30, 1975, increased to £28.634m. (£26.764m.), and the financial position remains strong with net current assets slightly higher at £21.176m. (£20.894m.) and investments at £7.493m. (£6.654m.).

	1974-75 £000	1973-74 £000
Turnover	224,913	258,980
PROFIT BEFORE TAX		
Overseas trading*	2,441	1,672
Bldg., contracting and estate development	2,324	1,661
Civil and gen. engng. and coal mining	1,211	1,757
Materials handling	381	1,335
Food	429	445
Finance and property	112	120
Pastoral trading loss	373	†2,060
Interest and expenses	723	692
Total profit	6,062	8,381
Taxation	2,330	4,140
Minorities	401	310
Attributable	2,931	3,931
Preference div.	45	46
Ordinary	967	906
Retained	1,519	2,979

* Including associates £254,000. † Profit. Extra-ordinary debits of £23,000 (£466,000 credits) are excluded.

The reduction in profit may be attributed to Australian Mercantile Land and Finance, which, as a result of the depression in the Australian rural industry, incurred a loss of £0.31m. (profit £2.06m.).

● comment

Wood Hall is a tenth up on forecast, so there are hopes that the group will prove equally conservative in its estimate of current-half pre-tax profits "well below" 1974-75. Meantime, earnings for 1974-75 have fallen by 28 per cent.; but they still cover a 7 per cent. yield some 2.9 times and by the second half of this year WH expects profits to start showing some recovery. Thus the payment for the current year looks safe, and the shares rose 2p to 89p yesterday. WH's balance-sheet remains strongly based, and net worth is now up to around 117p a share.

AUTOMATIC TOOLS

With Treasury permission Automatic Oil Tools has revised its dividend from the previously announced unchanged 1p to 1.1p for the year to June 30, 1975.

INDEX TO COMPANY HIGHLIGHTS

British Borneo Petroleum

FIRST HALF (to September 30, 1975) profits of British-Borneo Petroleum Syndicate have risen by nearly £100,000 to £457,111. This year profits on realisations, etc., are up from £185,602 to £247,592 and there is no provision for exploration expenses, against £30,000.

The interim dividend is up from 1.74p to 1.857p per 10p share at a cost of £83,565 (£78,300). Total for 1973-74 was 5.042p from profits of £595,166.

	Half year 1975 £	1974 £
Invest. income	261,473	268,252
Profit realisn., interest etc.	247,592	185,602
Admin. expenses	26,439	28,095
Eurocurrency int.	25,515	37,872
Exploration expenses	—	30,000
Profit before tax	457,111	357,887
Corporation tax	147,250	101,300
Franked income tax	60,693	56,496
Net profit	249,169	200,091

At September 30, market value of the group's investments stood at £7.68m., compared with £6.94m. six months earlier.

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M.Y. Dart improves to £1.2m.

THE FURTHER improvement in profit forecast by M.Y. Dart turns out to be from £1.06m. to £1.2m. for the year to June 30, 1975, after £0.56m., against £0.43m., for the first half.

Stated earnings per 10p share increased from 4.9p to 6.13p, before extraordinary items, and fully diluted they were up from 4.76p to 5.93p. A final dividend of 0.686868p raises the net total from 1.2803p to a maximum permitted 1.371368p net. And a first interim of 0.195p (0.1675p) is declared in respect of the current year.

The company manufactures sports equipment, packaging materials and pyrotechnics.

● comment

A slack second half, when MY Dart's profits only increased 5 per cent. on a 47 per cent. jump in turnover, took the shares 4p lower to 38p yesterday, for a fall from their high of 6p in two days, to yield 5.6 per cent. The group points to its associates as poor performers (profits slipped £22,000) and the distorting effects of three acquisitions since December that boosted sales but made little profits contribution. But also the company had to take lower margins on exports of sporting goods (accounting for 70 per cent. of that division's sales) in order to remain competitive as U.K. production costs soared. However, sporting goods come up for a general price review in January, and MY Dart reckons that it can take advantage of sterling's weakness to regain its profit margins in the second half of the current year, for volume has continued to increase since June.

Good start by Burns-Anderson

MR. WILLIAM BURNS, chairman of Burns-Anderson, told the annual meeting that profit for the three months to September 30, 1975 was "highly satisfactory."

And work in hand and trading reports from the subsidiaries confirmed that this should continue into the second quarter, he said.

With further sales of land and of units of housing stock since June 30, short-term borrowings had been further reduced and this operation should continue to increase liquidity.

Mr. Burns reported that long-term borrowings had also been substantially reduced by the purchase for cancellation of a further tranche of the 11 per cent. loan stock, which would result in an addition to reserves of approximately £151,000.

Meeting Page 23

Sanderson Murray in profit

THE TEXTILE concern, Sanderson Murray and Elder (Holdings), finished the year ended June 30, 1975, with a profit, although at £33,020 it showed a reduction of £122,132 on 1973-74.

After omission (following a first half loss) of the interim dividend the directors are recommending a payment of 1.3p per 50p share, which compares with a previous total of 3.15p.

Earnings per share are shown to be down 5.2p to 2.1p.

The group has not escaped the effects of the severe textile recession—sales volume was down 30 per cent. at prices lower than last year. Nevertheless, the directors have contained costs and have continued to re-equip selectivity and improve the net assets position.

The forward order position is short and "we must await a recovery in the textile cycle and profit margins," they state.

	1974-75 £	1973-74 £
Group turnover	2,847,000	4,011,000
Trading profit*	1,676	127,987
Investment income	31,344	27,165
Profit before tax	33,020	155,152
Tax credit	8,684	†53,923
Minority	867	867
Attributable	40,837	99,362
Extraord. surplus	‡37,543	—
Dividend	24,700	59,850
Retained	53,680	38,512
Surplus tax	§131,973	—
Forward	544,380	358,727

* After adding £30,120 (£4,858) decrease in stock reserve. And after depreciation £62,997 (£74,006), and crediting bank, etc., interest £25,018 (£14,793), received covenants with Woolcombers Mutual Association £23,000 (nil), surplus on assets disposal £12,687 (£453). † Charge. ‡ On disposal of South African land and buildings. § Of prior years, including deferred.

Martonair up £0.2m.: scrip issue

THE INCREASED profit forecast by Martonair International turns out to be from £2.68m to £2.88m., before tax, for the year to July 31, 1975, after £1.36m., against £1.14m., at halfway. Turnover for the year expanded from £16.65m. to £18.81m.

A final dividend of 1.924p raises the net total from 3.155p to 3.367p, and a one-for-ten scrip issue is proposed. The company manufactures pneumatic control equipment.

	1974-75 £	1973-74 £
Group turnover	18,808,915	16,651,551
Trading profit	3,225,534	2,897,010
Interest charge	346,206	212,842
Profit before tax	2,879,328	2,684,168
Tax	1,419,449	1,325,403
Minority	21,873	40,436
Balance	1,438,001	1,318,329
Preference div.	7,820	7,820
Ordinary	309,995	287,824
Retained	1,120,186	1,022,675

● comment

After starting out the year with a full order book, Martonair's interim profits increased by 19 per cent., the order intake slid downwards and second-half profits eased by 1½ per cent. But a flat six months to July may only be the tip of the iceberg, for without undue pessimism one may expect quite a downturn this year. But it could turn out that the latter part of 1975-76 could reverse the decline if orders in Europe pick up following the early signs of a revival in the U.S. In the U.K. (accounting for a fifth of profits) Martonair has been able to capture a larger slice of a reduced market, so the picture is not too cloudy. Borrowings, meanwhile, have not come down since last year but stand about £0.7m. higher at around £3.7m. or 47 per cent. of shareholders' funds, while stocks have risen above the £6.3m. of July 1974. At 145p, up 3p yesterday, the group enjoys an impressive rating—a yield of 3.6 per cent. and a p/e of 9.1—which may be hard to sustain in the current term.

Bestobell heads for record

CURRENT-YEAR profits of Bestobell, the international engineering and chemical products group, should be "comfortably up" on 1974 and well over £5m. pre-tax, or more than double the figure of three years ago, said chairman, Sir Humphrey Browne, in London yesterday.

The overseas companies, whose year end was June 30 last, "did extremely well," Sir Humphrey added. They were running about 30 per cent. above last year—"we have a company in the U.S. which is up 100 per cent."

In the year 1974, Bestobell achieved a record pre-tax profit of £4.86m.

Wemyss Investment

Gross revenue of The Weymss Investment Company decreased slightly from £397,596 to £386,223 in the year to September 30, 1975, subject to tax of £143,906, against £146,430, leaving £219,539 compared with £233,766.

A final dividend of 6.2p makes a same again total of 9p net per £1 share costing £203,500 (same).

Investments were valued at £6.14m. (£4.11m.), and the net asset value per share is shown at 201p against 194p.

Usher-Walker up to £0.32m. so far

Manufacturers of printing inks and rollers, Usher-Walker reports fist half 1975 pre-tax profits up from £230,000 to £316,000, and the interim dividend is lifted from 0.85p to 0.935p net per 10p share.

The directors say that during the second half costs have risen more steeply, and the third quarter has seen a further slackening in demand.

While it cannot be expected that results for the first half will be repeated, the overall result for 1975 is expected to be satisfactory in the light of general economic conditions, they tell members and they anticipate they will be able to recommend the maximum permissible dividend for the year. Profits for 1974 reached £477,222 while dividends totalled 2.444p net.

First half turnover expanded from £1.89m. to £2.11m. Tax took £173,000 (£120,000) and the attributable balance rose from £108,250 to £130,250 giving stated earnings of 6.34p against 5.08p per share.

Trevor Humphries

Mr. Peter Boon, chairman of Hoover, which yesterday reported sales for nine months of £124m., against £93m., and pre-tax profits of £14.6m., compared with £8.3m.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Airflow Streamlines ...int.	1	Jan. 6	1.17	—	3.75
Ambrose Invest. ......int.	1.25(b)	Dec. 19	1	—	2.9
Anderson's Rubber	0.5	Dec. 31	0.5	—	1.17
Automatic Oil Tools	1.1(d)	Dec. 1	1.0	1.1	1.0
Beaverbrook	1.62	—	0.33	1.62	0.33
B. S. and W. Whiteley int.	0.5	Dec. 19	0.5	—	2.74
Bekoh Holdings	14(a)	Dec. 29	14	14	14
BET Omnibus ....int.	5.5(b)	Dec. 1	2.63	—	17
British-Borneo Petroleum int.	1.86	Dec. 19	1.74	—	5.04
Clifford and Snell	0.37	Dec. 16	0.37	0.51	0.51
C. H. Pearce	1.8	Jan. 6	1.71	2.76	2.59
Fortnum and Mason ...int.	3.5	—	3.5	—	19
W. G. Frith ....int.	Nil	—	1	—	1.5
Gieves Group ....int.	1	Dec. 17	0.79	—	1.98
Guardian Investment int.	0.75(b)	Dec. 16	0.49	—	1.75
Herrburger Brooks	0.88	—	0.88	0.88	0.88
Gordon Johnson-Stephens int.	0.5	Jan. 2	0.5	—	1.5
Walter Lawrence	2.5(c)	—	—	4.25	—
Martonair Intl.	1.92	—	1.96	3.37	3.16
Mitchell Cotts Transport	1.67	Dec. 8	1.5	2.72	2.55
M.Y. Dart	0.69	Jan. 14	0.76	1.37	1.28
1st int.	0.2	—	0.17	—	1.37
Pochin's	2.88	—	2.64	3.75	3.52
Sanderson Murray	1.3	Dec. 22	1.27	1.3	3.15
Sungei Bahru	0.2	Dec. 31	0.67	0.39	1.17
Sungei Besi	Nil	—	2.115p	—	5.997p
Usher-Walker ....int.	0.94	Dec. 12	0.85	—	2.44
Wemyss Investment	6.2	Dec. 19	6.2	9.0	9.0
G. Whitehouse (Eng.)	0.37	—	0.35	0.37	0.35
Wood Hall Trust	3.94	Dec. 12	3.69	3.94	3.69

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Malaysian cents. (b) Increase to reduce disparity. (c) Shares placed last June. (d) Revised from 1p with Treasury permission.

Lawrence tops its forecast

GROUP PROFIT, before tax, of Walter Lawrence amounted to £844,000 for the year to June 30, 1975, compared with a forecast of not less than £800,000 made in the June 1975 placing statement. The previous year's figure was £732,000.

Stated earnings per 25p share increased from 8.6p to 9.5p. A final dividend of 2.5p as foreshadowed, makes a total of 4.25p.

Turnover rose from £18.7m. to £19.9m.—margins at the pre-tax level improved from 3.9 to 4.2 per cent.

The directors report that the level of contract work to be carried out during the current year indicates that the group should not be materially affected by reductions in the level of Government expenditure.

"To date the group as a whole has made good progress towards a satisfactory result," they state.

	1974-75 £000	1973-74 £000
Turnover	19,905	18,740
Trading profit	1,125	1,013
Exceptional debits	220	241
Share losses associates	61	40
Profit before tax	844	732
Taxation	463	381
Minorities	2	6
Extraordinary debits*	186	—
Attributable	193	345
Dividend	170	47
Retained	†23	298

* Share of a deficit on revaluation of properties in associates £68,000 and listing costs and expenses £118,000. † Credited to revenue reserve £209,000 less £186,000 charged to capital reserve.

In the balance sheet at end 1974, all investment properties, excepting 91-93 Southwark Street, were included at an independent professional valuation as at April 30 with an appropriate adjustment being made for costs incurred between December 31 and April 30.

The timber products division made substantial losses, but measures taken should ensure a return to profitability this year.

During the year a term loan of £1m. was negotiated. Since the end of the year the liquidity position has been further strengthened by the sale of 91/93 Southwark Street, for over £400,000, compared with £286,000 in the balance sheet.

● comment

Lawrence has just topped its prospectus forecast but, considering this was published on the last day of the financial year, there can be few surprises. For the current year the work load is being maintained, thanks to orders taken on in more buoyant times, but competition must be getting keen with the larger contractors seeking more bread-and-butter type contracts. Still, the timber side is due to make a positive contribution this time but, as a newcomer to the market, Lawrence needs another good year under its belt. In the meantime the shares at 64p yield 11 per cent.

Herrburger Brooks downturn

On a turnover up from £2,024,878 to £2,550,281, pre-tax profit of Herrburger Brooks, makers of piano actions, keys and hammers, slipped from £58,787 to £48,435 in the year to June 30, 1975, after being marginally down from £61,656 to £61,630 at halfway.

Stated earnings per 25p share for the year decreased from 2.93p to 2.67p. As before, the net dividend is 0.875p a share.

	1974-75 £	1973-74 £
Turnover	2,550,281	2,024,878
Profit	48,435	58,787
Tax	23,500	28,750
Net profit	24,935	30,037
Dividend	11,430	11,430

Bekoh leaps to £1.5m.

TURNOVER FOR the year to June 30, 1975 of Bekoh Holdings rose from £2.98m. to £3.66m. and profits jumped from £691,425 to £1,499,004 before tax of £726,429 against £320,149.

Earnings are shown to be up from 5.36p to 11.72p per 10p share. The dividend is held at 14 Malaysian cents.

Minority interests took £363,367. Last year there were minorities of £178,533 and exceptional debits of £7,671.

The groups interests include rubber, coconuts, tin dredging and oil palms. The ultimate holding company is Kuala Sidim Rubber Company.

Encouraging start for Sime Darby

FIRST QUARTER preliminary results of Sime Darby Holdings are encouraging, indicating that many more group operations are now contributing to profits, reports the chairman Tan Sri Tan Chin Tuan.

He does not propose to forecast because the group is still vulnerable to commodity price movements, the situation in the logging industry and the world economy. But he is confident of the company's ability to meet challenges and resume its growth pattern.

Tan Chin Tuan is resigning his directorship as the reconstituted and strengthened Board has established firm control over the company's activities, and the problems faced at the end of 1973 have been largely resolved.

Mr. J. E. Bywater will act as chairman while continuing as chief executive, on the understanding that these functions will again be separated at the earliest practicable date.

In his review Tan Chin Tuan says some low-yielding quoted investments were sold when market conditions were considered opportune. The resulting saving in interest will only be fully reflected in next year's profits.

Stocks of heavy equipment and other materials are now significantly lower than at the beginning of the year, and at realistic levels for the types of businesses in which the group is engaged.

Total borrowings, less cash and deposits, were reduced from $278m. to $156m.

In commodity trading Faure Fairclough, London, sustained losses in excess of $7.5m. (£1.5m.) emanating almost entirely from one trading desk. Controls have been introduced to prevent the possibility of a similar recurrence of the same problem.

A considerable profit improvement is now apparent in shipping and general trading.

As reported on September 30, group profit for the year ended June 30, 1975 was £20.82m., a reduction of 18 per cent. when adjusting for Consolidated Plantations. The dividend is 20 (18.0) per cent.

Tax takes 71 per cent. (48 per cent.) of profits but the current year should see a materially lower effective rate as more businesses move from loss into profit.

At June 30, 1975, shareholders funds totalled $358.46m., against $382.67m. a year earlier. Current valuations of certain properties in Malaysia and Hong Kong are lower than valuations included in earlier accounts: $20.73m. needed to reduce values to current valuations have been deducted from reserves.

The retrospective change in the accounting policy for acquisitions resulted in the revised book value of the investment in Clive Discount Holdings being substantially in excess of net asset value, and $90.73m. has been written off this investment. A majority shareholding in Clive was sold in the year.

Meeting, Kuala Lumpur, December 1.

See Men and Matters, Page 18

Chairman's Statement Page 25

Gieves up to £0.34m. at midway

TAILORS and outfitters, publishers, bookbinders, motor dealers, and car park operators, The Gieves Group, reports sales of £10.34m. against £5.27m. for the six months ended August 2, 1975, and pre-tax profits of £344,000 against £258,000.

The interim dividend is lifted from 0.7875p to 1p net per 25p share costing £33,564. Last year's total was 1.9775p from pre-tax profits of £847,000.

	Six months 1975 £000	1974 £000
Sales	10,343	5,265
Tailoring	1,660	1,292
Book manufacture	1,696	1,309
Loose leaf binding	871	716
Motor dealers, etc.	6,116	1,948
Profits before tax	344	258
Parent com. loss*	11	†32
Tailoring	78	12
Book manufacture	267	168
Loose leaf binding	90	65
Motor dealers etc.	89	79
Net interest	179	98
Tax	179	134
Minority	—	6
Pref. dividend	2	2
Attrib. Ordinary	163	116

* Internal rents received less central expenses. † Profit.

Mamos Holdings, the motor dealing division has been wholly-owned since May 24, 1974, prior to which it was a 35 per cent. owned associate. Accordingly, sales before that date are excluded in the 1974 results and its profits of £79,000 comprise 35 per cent. of profits after interest up to that date and the whole of profits since.

The chairman, Mr. M. E. A. Keeling, says that the pressures of inflation continue but as a result of steps taken, liquidity has improved considerably. In recent years the normal trend has been to earn more in the second half. "With the recession deepening it is possible that the trend may be reversed this year," he warns.

Downturn at BET Omnibus

FIRST HALF pre-tax profits of BET Omnibus Services, a member of the British Electric Traction group, have dropped from £2,406,000 to £2,173,000, with earnings per 50p Ordinary unit shown at 10.26p compared with 10.28p.

To reduce disparity with the final dividend, the interim now declared is raised from 2.625p to 5.5p net. Total for the year to March 31, 1975 was 17p paid from taxable profits of £3.19m.—earnings 15.31p before extraordinary credits and 17.45p after.

Commenting on the half-year, the directors say the Grayston subsidiary improved its results, but Murphy Bros. continued to incur losses on certain uncompleted fixed price contracts entered into in earlier years, and also on its German subsidiary, Junk and Gruber.

	6 months 1975 £000	1974 £000
Turnover (excluding assoc.)	15,001	[illegible]
Trading profit	836	[illegible]
Share of associate	1,744	[illegible]
Investment income	8	[illegible]
Making	2,388	[illegible]
Interest payable	415	[illegible]
Profit	2,123	[illegible]
Taxation	1,288	[illegible]
Net profit	865	[illegible]
Interim	495	[illegible]

ISSUE NEWS

Hunting rights

Hunting Associated Industries intends to raise about £0.7m. before expenses by a rights issue of 1,320,800 Ordinary 25p shares which will be offered in the proportion of one-for-five at 53p each.

In the absence of unforeseen circumstances, Hunting, which recently reported an interim profits increase of a fifth to £1.08m. pre-tax, expects to recommend a final dividend in respect of the year 1975 of 1.25p on the increased share capital. Together with the interim dividend of 1.15p already paid this will make a total of 2.4p (2.048p) for the year. Treasury approval has been received for the increase.

LIGHTING & LEISURE

In the formal document regarding Lighting and Leisure Industries' rights issue of one-for-one at par—10p—the chairman states that the proceeds will be used initially to reduce seasonal bank borrowings. Further it is stated that it will increase the company's capital base and this should enable it to grow more quickly by further investment and acquisition.

While the company does not wish to make a profits forecast for the current year it is pointed out that the chairman is optimistic and the year has started out well.

GROVEBELL QUOTE

Grovebell Group has regained a quotation for its Ordinary and Preference shares following the suspension last August at the time of discussions on possible acquisitions. The negotiations have now been discontinued and it is the Board's intention to continue its endeavours to improve the profitability of the company and to seek favourable opportunities in any suitable field.

MINING NEWS

Rand Selection is paying more

BY *LESLIE PARKER, MINING EDITOR*

THE Anglo American Corporation's expanded Rand Selection has turned in the expected upturn in profits for the year to September foreshadowed by last June's half-year figures with a net surplus of R48.5m. compared with R44m. and a rise in dividends from 70 to 75 cents (41.7p) with a final of 43 cents.

The distribution absorbs R31.5m. and, much the same as previously namely R12.6m., is transferred to reserves. The comparison with 1973-74 is subject to a number of distortions including the fact that the Schlesinger acquisition, now known as Rand Selection Insurance Holdings, only came into half that year's figures. And South African Townships ranked as a wholly-owned subsidiary as from April 1 last.

Despite the higher dividend, which came from equity earnings equal to 114.5 cents a share, the results are hardly likely to be a stimulating share market factor this morning. Rand Selection rose 30p to 800p in front of the results yesterday. This was in line with the firmness of Gold shares, an influence that is likely to continue to be a paramount factor.

SUNGEI BESI & AYER HITAM

No interim dividend and a loss of £15,000 for the first half of the year to next March are announced by Sungei Besi Mines. In the same period of 1974-75 the company made a profit of £360,000 from which a dividend of 2.115p per share was paid. Full year profits were £635,000 and dividends totalled 5.997p.

At the company's annual meeting in September the chairman, Mr. J. G. Richardson, warned that profitable operations and thus dividends could not be expected in the current year owing to opencast reserves in the No. 3/5 area being substantially lower than expected.

Reflecting the benefits derived from high tin prices last year and increased production, Ayer Hitam reports net profits up from £1.04m. to £1.49m. in the year to June. The earnings per share figure comes out at 27p against 16.8p previously from which dividends totalling 13p (9.7987p) have been declared.

In the first three months of the current year production is running 199 tonnes below that of the same period of 1974 which, with the lower metal price, does not auger well for 1975-76 results. Sungei Besi were unaltered at 43p and Ayer Hitam 5 better at 142p in London yesterday.

LONDON TIN

It was inadvertentl ystated in *this column yesterday that* Charter Consolidated has a stake of over 12 per cent. in London Tin. This is, in fact, the percentage holding in Haw Par which is the largest shareholder in London Tin. with just under 30 per cent. thereof.

Beach sand battle

A STILL further cutback in Westralian Sands' beach minerals operations in Western Australia is reported from Perth to be taking place amid a fresh outbreak of recriminations between the State's Mines Minister Mr. Andrew Mensaros along with Westralian's chairman Mr. Tom Cook and the Federal authorities in Canberra over the latter's failure to fix a fair and reasonable floor price for zircon.

The industry is stated to be calling for a price of $110 to $130 a ton compared with levels of $200 to $250 currently insisted upon by the Minerals and Energy Department, levels which "force customers to pay more than they can afford for a commodity which has alternative sources of supply and substitute materials available."

Overseas buyers thus cannot commit themselves to Australian zircon when they do not know the price thereof. Even worse, the company says, they have cancelled or deferred indefinitely much of the tonnage ordered for second-half 1975 delivery.

So Westralian Sands is no longer as optimistic as it was recently that shipments should be maintained in the year to next June. Moreover, in view of existing ilmenite and zircon stocks being almost enough to meet 1976 deliveries, a further production cutback is being instituted with *a consequent substantial cost* saving.

The ray of hope in Perth our correspondent there reports is that the removal of Sir Lenox Hewitt and Federal Mines Minister Mr. R. F. X. Connor will bring about a change of attitude in Canberra. In this event, Westralian Sands, as indicated here on October 31, would be well placed to step up output to take advantage of any favourable change in this out-moded *situation.* The shares were unchanged at 35p yesterday.

RTZ RHODESIA PROFIT SLUMP

A 58½ per cent. fall in profits for the nine months to September 30 is reported by the RTZ group's Rio Tinto (Rhodesia) with the interim dividend cut from 5 cents to 3 cents. The *decline in group earnings stems* largely from the 66 per cent. drop in profits of Empress Nickel over the same period which has itself declared dividends totalling only 4 cents as against 39½ cents at the same time a year ago.

Three main factors are cited for the earnings setback. Firstly, the depressed state of metal markets and the slump in the copper price. Empress, although primarily reliant on nickel for its revenue, is also a substantial producer of copper.

Secondly, the group's industrial arm has been adversely affected by the depressed state of Rhodesian agriculture and, thirdly, operations at the Empress base-metal refinery have been bedevilled by problems arising out of the high arsenic content of concentrates from the associated Perseverance nickel mine.

ROUND-UP

In Adelaide Poseidon said yesterday that it knew of no particular reason for the fall in the price of its shares apart from prevailing economic conditions, depressed metal prices, a high rate of inflation and uncertainty in the gold-mining industry. In Sydney the shares were $1.50 compared with a year's low of $1.40 and a high of $5.80. In London Poseidon were 155p.

* * *

In Canada the Newmont-Price partnership says that no diamond drilling has yet been done on its Nine-Mile Brook copper-zinc-lead-silver discovery in the Bathurst area of New Brunswick. This will not be undertaken until detailed geophysical work has been completed and drill targets pinpointed thereby. The find earlier this year has drawn other companies to the area including Sabina Industries which has done an exploration deal with U.S. Steel.

* * *

Western Australia's Kalmin Exploration and Theseus Investments are reported to have won an over-pegging dispute against Italy's Agip Nucleare on ground about 100 miles south of Onslow in the Ashburton region. Uranium is the target. Down-hole radiometric borehole tests are now planned.

* * *

At the Western Mining meeting Mr. Arvi Parbo said that the current outlook for the financial year to next June was quite uncertain and reiterated his previous forecast that the first half profit was likely to be similar to the reduced level of the last half of 1974-75 as outlined here on October 30. The shares thus showed no fresh reaction yesterday, closing unchanged at 143p.

BIDS AND DEALS

Matthews offer for Dawson & Barfos

Matthews Holdings, the food and property group, is making a £3.46m. share offer for Dawson and Barfos, manufacturers and distributors of essences and fruit juice products.

Shareholders are being offered five Ordinary shares of Matthews for every four held in D and B, which, at last night's closing price of Matthews at 46p, values each share at 57½p. There is a cash alternative of 48p, giving D and B shareholders a clear incentive to accept the share offer. D and B shares ended 10p higher last night at 55p.

To satisfy the cash alternative would require £2,889,455, of which £455,000 would be provided by Matthews itself with the balance provided by the underwriting (now completed) of 6,593,122 New Matthew's shares.

Irrevocable acceptances have already been given in respect of 2,865,892 shares (representing 47.6 per cent. of the total equity) *by directors of D and B and their* family interests; Keyser Ullmann, which held over 19 per cent. of the share capital according to the latest accounts; and certain other key shareholders. The directors of D and B are recommending shareholders to accept th eoffer.

The new Ordinary shares of Matthews will rank equally with existing shares and rank in full for an increased final dividend of 1.3732p (net) which th edirectors intend to propose for the year ending September 27.

D and B, which made pre-tax profits of £461,752 in 1974—a marked recovery on the £99,000 of the previous year—has already forecast a figure of over £700,000 in the current year. In the year to end-September 30, 1974, Matthews made profits before tax of just under £2.3m., roughly the same as in the previous 12 months. At the half-way stage, profits were reported as virtually unchanged at £1,176,000.

PERMALI 'NO'

The directors of Permali have issued a statement confirming their rejection of the latest 31½p offer from *BTR*. They consider the offer does not represent "fair value for the Ordinary shares."

BP stake in Sub Sea

British Petroleum, whose interests include a large stake in the North Sea—and from whose Forties Field there the first crude flowed ashore by pipeline this week—has bought a 47½ per cent. stake in the U.S. concern Sub Sea International in a $9m. (£4.36m.) deal.

BP said it had acquired the holding from Ocean Drilling and Exploration, the U.S. concern which has hitherto been Sub Sea's parent company, and from Mr. Hugh "Dan" Wilson.

Sub Sea is a world-wide deepwater diving and engineering concern, and BP's agreement to acquire the *stake is subject to* the necessary Governmental consents and to the execution of *formal documentation.*

It is understood that BP has acquired 42½ per cent. of the Sub Sea shares from ODECO, which will be left with 47½ per cent. of Sub Sea, and 5 per cent. from Mr. Wilson, who has been in the business for some 20 years and who will retain a 5 per cent. interest.

BP said yesterday the acquisition of Sub Sea, which operates *in the North Sea and elsewhere,* "fits in with our particular expertise and area of business in exploration and production." The group added: "This close association with ODECO will create a major British stake in this important area of offshore activity and will strengthen BP's interests in underwater expertise. Sub Sea played a major part in the construction work associated with the development of BP's Forties Field."

SHARE STAKE

Updown Investment announces that Debenture Corporation has purchased a further 37,000 shares in the company and now own 691,624 (17.29 per cent.).

ASSOCIATES DEAL

Raphael Robinson and Glyn bought on behalf of associates 25,000 Ciro Holdings at 14½p.

ANGLO-SAXON INSURANCE

The Continental reinsurance companies Nordisk Reinsurance of Copenhagen and Unione Italiana di Riassicurazione of Rome have acquired all the paid-up capital (£1m.) of Anglo Saxon Insurance.

Anglo Saxon, formed in 1924, was restructured in 1972 and operates in the London reinsurance market in all classes of business other than life.

Viscount Wimborne continues as chairman and Mr. R. P. Harris as managing director.

The Italian company is 50 per cent. owned by the Italian State and 50 per cent. by the major Italian insurance groups. Nordisk is the reinsurance company of the important Nordisk-Nye Danske Group.

Renwicks–Bowater

Two subsidiaries of Renwicks Freight have been sold to Ridham Freight Services, an equal partnership company between Renwick and Bowater, for about £800,000.

As a result of the deal, the share capital of Ridham has been increased by £660,000, each partner contributing half.

The move strengthens the Renwick - Bowater partnership interests in both domestic and international transport. Ridham Freight's fleet will now consist of approximately 150 vehicles and some 250 trailers.

Unicorn Inds. U.S. expansion

Letters of intent have been exchanged in New York under which Unicorn Industries, Windsor, has agreed in principle to acquire certain assets of the Simonds Abrasive Division of Wallace Murray Corporation of the U.S. which also has interests in Canada.

If negotiations are successful, this substantial acquisition will complement the activities of Unicorn's existing American company, Precision Grinding Wheel of Philadelphia and will complete the current phase of the group's overseas expansion programme.

Details of the terms will be announced on completion.

BEYER PEACOCK PLACING

The Board of Beyer Peacock and Co., announce that the 27 per cent. stockholding in the company owned by Moore Holdings. (in receivership) has been placed by the company's brokers, Laing and Cruickshank with a number of investment clients.

As a result no individual or institution now holds more than 10 per cent. of the company's capital.

C. Pearce hits new peak

TURNOVER for the year to May 31, 1975 of builders, etc., C. F. Pearce and Sons (Contractors) rose from £5.86m. to £6.46m. and pre-tax profits advanced from £465.496 to a record £537,971.

Earnings per 25p share are shown to be up from 17.9p to 20.63p and the dividend is lifted from 2.585p to the maximum permitted 2.7585p net with a final of 1.7985p.

The directors say that on account of the depressed conditions in the private housing market the company reduced its activities in this field quite considerably. They have written down the purchase price of one parcel of land purchased in 1973 by £70.000 to arrive at its present market value—value of all other building land on hand is considered to be "well in excess" of *purchase price.*

The group has a present order book in excess of £10m., and has a "very sound" liquidity position with readily available cash of over £1m. for future expansion and acquisition.

And according to present indications and subject to no serious unforeseen circumstances profits for next year should exceed those for the present period, the directors add.

W. Wood losses

The delayed preliminary results of the luggage group W. Wood and Son for the year 1974 show a loss after taxation and extraordinary items of £837,842, against a loss of £1.1m. for 1973. Turnover was down from £5.9m. to £5.3m.

The results were announced yesterday, together with the first *half figures for 1975, which show* a loss of £104,000, in comparison with a deficit of £172,000 for the first half of 1974, on a turnover down £0.5m. to £2.5m.

The directors say the improved result in the first half, on a reduced sales volume, was "an encouraging transformation from the depressing results in the second half of 1974 during the upheaval of closing four factories."

Negotiations are currently being conducted to strengthen the group's capital structure but until these are successfully concluded the chairman, Mr. E. S. Gibbons, says "it would be unrealistic to forecast prospects for the current year."

It is intended to postpone publication of the annual report for 1974 to give sufficient time for the directors to report on the various financial measures under consideration.

It was announced last December that the company's auditors, Thomson McLintock, had resigned after carrying out an investigation into the accounts of the company since 1967. McLintock's were unable to express an opinion on the 1973 accounts.

Mr. Gibbons said that the second half of 1975 is expected to match that for the first six months.

Otis Elevator Company
245 Park Avenue
New York, New York 10017

Otis

November 4, 1975

Dear Fellow shareholder,

The following press release, issued by The Company on November 4 is being sent to you for your information:

FOR IMMEDIATE RELEASE

"New York, New York, November 4, 1975... Ralph A. Weller, Chairman and Chief Executive Officer of Otis Elevator Company, stated today that the Board of Directors of Otis believes that the latest cash tender offer of United Technologies Corporation, dated November 4, to purchase any and all shares of Otis common stock at $42 per share continues to be totally inadequate and not in the best interests of the Otis shareholders. Mr. Weller, on behalf of the Board, strongly urged all shareholders to reject the United offer.

Otis is continuing its action in the U.S. District Court in New York to enjoin United. On October 29, the court enjoined the United tender offer published on October 15—and revised on October 23 and 24—on the ground that the offer violated the Federal Securities Laws. The court has not yet heard or decided Otis' additional claims that a United acquisition of Otis would violate the Antitrust Laws.

Furthermore, Otis is continuing to seek injunctive relief in Indiana Business Takeover Act. Its action to reverse a determination by the Indiana Securities Commissioner that the act does not apply to Otis is still pending in the Marion County Superior Court. A trial on the merits in that action is scheduled for November 10. United is contesting applicability and constitutionality of the act in the State Court and the U.S. District in Indianapolis."

ON BEHALF OF THE BOARD OF DIRECTORS

Ralph A. Weller *Chairman and Chief Executive Officer*

For any further information, do not hesitate to call Paris 538.44.37 (Extension 3004)

QUARTERLY DIVIDENDS SINCE 1935

NATIONAL DISTILLERS AND CHEMICAL CORPORATION

DIVIDEND NOTICE

The Board of Directors has declared a quarterly dividend of 30¢ per share on the outstanding Common Stock, payable on December 1, 1975 to stockholders of record on November 10, 1975. The transfer books will not close.

October 23, 1975

RAMSEY E. JOSLIN,
Vice President-Financial

NDCC

INTERIM STATEMENT

O.K. BAZAARS (1929) LIMITED

(Incorporated in the Republic of South Africa)

INTERIM REPORT

FOR THE HALF YEAR ENDED 30th SEPTEMBER, 1975

1. Group Earnings and Dividends

The unaudited group earnings for the six months ended 30th September, 1975 compared with the six months ended *30th September, 1974 and the year ended 31st March, 1975,* are as follows:—

	1975 6 months 30.9.75	1974 6 months 30.9.74	1974/75 year 31.3.75
	R000	R000	R000
Sales	212,326	181,571	388,424
Profit before taxation	9,453	8,244	23,030
Taxation	4,135	3,597	10,027
Profit after taxation	5,318	4,647	13,003
Preference dividends	57	57	115
Earnings per equity shares	5,261	4,590	12,888
Equity dividends	2,381	2,143	6,429
Retained earnings	2,880	2,447	6,459
Net extraordinary (Non-trading) profit	—	—	3,135
	Cents per share	Cents per share	Cents per share
Earnings per equity share	44.2	38.5	108.2
Equity Dividend: Payable on 19th December, 1975	20.0	18.0	54.0
Preference Dividends:			
6% First—paid on 30th Sept., 1975	6.0	6.0	12.0
6% Second—paid on 30th May, 1975	6.0	6.0	12.0
5% Third—paid on *30th Sept., 1975*	5.0	5.0	10.0

2. Review of Operations

Sales increased by 17% for the period despite no increase in trading space. The food and furniture divisions showed substantial increases whilst housewares and clothing divisions showed only moderate increases. Profits after taxation, despite the absorption of preliminary television costs, increased by 15%.

3. Dividend

The interim dividend has been increased from 18 cents per share to 20 cents per share.

4. Fixed Assets

The Group is currently undertaking a full revaluation of its fixed assets and the Directors will consider the implications before publication of the annual financial statements.

5. Future Capital Expenditure

Capital expenditure authorised by the Directors, whether contracted for or not, at 30th September, 1975, amounts to R30,786,000. This includes the acquisition of hypermarket sites and the development of major new O.K. stores. In line with present policy, financing will be provided partly on a sale and leaseback basis.

6. Future Prospects

The second half of the year coincides with the period of the Government's anti-inflation programme. This programme is totally supported by the Group. Therefore, earnings are not expected to maintain the same rate of growth during the second half of the financial year.

For and on behalf of the Board,
R. J. Goss (Chairman)
C. G. Atkinson (Managing Director)

Registered Office:
O.K. Buildings,
80, Eloff Street,
Johannesburg.

Transfer Secretaries:
Hill Samuel Registrars (S.A.) Ltd.,
The Corner House,
63, Fox Street,
Johannesburg.

4th November, 1975.

RAND SELECTION CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

NOTICE OF DECLARATION OF DIVIDEND NO. 117

Notice is hereby given that dividend No. 117 of 43 cents a share (1974: 40 cents), being the final dividend for the year ended 30th September 1975, has been declared payable to shareholders registered in the books of the corporation at the close of business on 21st November, 1975, and to persons presenting coupon No. 120 detached from share warrants to bearer. This dividend, together with the interim dividend of 32 cents a share declared on 5th June, 1975, makes a total of 75 cents a share for the year (1974: 70 cents). A notice regarding payment of dividends on coupon No. 120 detached from share warrants to bearer *will be published in the press by the London Secretaries of the corporation on or about* 14th November, 1975.

The transfer registers and registers of members will be closed from 22nd November to 5th December 1975, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about 18th December 1975. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on 9th December 1975 of the rand value of their dividends (less appropriate taxes). Any such shareholders may however elect to be paid in South African currency, provided that the request is received at the offices of the corporation's transfer secretaries in Johannesburg or in the United Kingdom on or before 21st November 1975.

The effective rate of non-resident shareholders' tax is 14.889 per cent.

The dividend is payable subject to conditions which can be inspected at the head and London offices of the corporation and also at the offices of the corporation's transfer secretaries in Johannesburg and the United Kingdom.

Subject to final audit, the abridged consolidated income statement of the corporation and its subsidiaries for the year ended 30th September 1975 and the abridged consolidated balance sheet at that date, are as follows:

CONSOLIDATED INCOME STATEMENT

	1975 R000's	1974 R000's
Investment income	57 870	49 412
Net operating income:		
Finance	320	906
Property, interest and other sources	4 127	2 899
	4 447	3 805
Surplus on realisation of general investments	*310*	*1 212*
	62 627	54 429
Deduct:		
Interest paid and administration and other expenses	*11 835*	*8 647*
Costs of prospecting	3 383	1 705
Provision against loans	635	500
Provision against general investments	1 220	1 155
	17 073	*12 007*
	45 554	42 422
Provision for taxation and deferred taxation	49	756
	45 505	41 565
Surplus, after providing for taxation and transfer to contingency reserves, attributable to:		
Life insurance	4 104	2 759
Banking	—	1 121
	4 104	3 880
Profit after taxation	49 609	45 546
Deduct: Minority interests	1 121	1 635
	48 488	43 911
Net gain arising from currency fluctuations	302	237
Deduct: Transfer to currency reserve	302	237
	—	—
	48 488	43 911
Deduct: 7½% Preference Dividend No. 1 (Note 2)	388	—
Group equity earnings attributable to Rand Selection Corporation Limited (Note 1)	48 100	43 911
Earnings per share (note 1(b))	(114.5 cents)	(113.6 cents)
Appropriations:		
Dividend No. 116 of 32 cents per share	13 368	10 335
Dividend No. 117 of 43 cents per share	18 168	16 681
Total dividends of 75 cents per share (1974: 70 cents per share)	31 536	27 016
Transfer to reserves	12 647	11 598
	44 183	38 614
	3 917	5 297
Unappropriated profit—30th September 1974	9 339	3 967
Adjustment thereto arising from currency fluctuations	602	75
	9 941	4 042
Unappropriated profit—30th September 1975	13 858	9 339

CONSOLIDATED BALANCE SHEET

	1975 R000's	1974 R000's
Issued capital:		
Ordinary shares	20 887	20 848
Preference shares (Note 2)	30 000	—
	50 887	20 848
Share premium	211 574	210 846
Non-distributable reserve	964	785
Distributable reserves	114 777	95 973
	378 202	328 452
Loan capital	59 143	57 206
Minority shareholders' interest in subsidiary companies	41 558	31 848
Life insurance funds	331 544	294 105
Provision for deferred taxation	1 365	1 340
Loans:		
Secured	8 894	29 208
Unsecured	450	5 416
Subsidiary company not consolidated	—	440
Bank overdrafts and other short-term borrowings	29 157	32 439
	38 501	67 503
Banking customers' current, deposit and other accounts including reserve for contingencies	—	302 965
Creditors:		
Shareholders for dividends	18 556	16 681
Other	38 793	39 112
	57 349	55 793
Acceptances and guarantees	—	69 431
	907 662	1 208 643
Represented by:		
Investments (Note 3)		
General investments		
Listed (market value R677 173 000—1974: R784 319 000)	214 610	191 826
Unlisted (directors' valuation *R118 235 000 1974: R100 982 000)*	93 256	76 883
	307 866	268 709
Life insurance	382 416	323 400
Banking	—	46 359
Subsidiary company not consolidated	—	13 073
Property	5 765	13 927
Mortgage and other loans less provisions	36 592	28 102
	732 639	693 470
Premises, mineral rights and equipment	6 492	9 646
Excess of written down cost of shares in subsidiary companies over book value of net assets at the dates of acquisition:		
Insurance subsidiaries (1974: including Banking subsidiaries) (without allowing for any deduction of undisclosed reserves and unallocated surpluses)	57 040	67 789
Other subsidiaries	27 469	25 720
	84 509	93 509
Assets leased to third parties	12 156	12 531
Advances and instalment debtors less deferred income (1974 included bank advances)	26 137	254 395
Debtors and cash:		
Debtors, outstanding premiums and deferred charges	40 757	34 081
Cash on fixed deposit and at call	4 972	41 580
	45 729	75 661
Liabilities of banking customers for acceptances and guarantees	—	69 431
	907 662	1 208 643

NOTES:

1. The figures for the year ended 30th September 1975 are not comparable with 1974 for the following reasons:
   (a) The acquisition of the Rand Selection Insurance Holdings Limited (formerly Schlesinger Insurance and Institutional Holdings Limited (S.I.I.)) group of companies, *effective from 1st April 1974, contributed to group* profits during only six months of the 1974 year.
   Profits are affected as follows:
   (i) The year ended 30th September 1975 includes a contribution from insurance activities for the whole year. During the year the group disposed of its interest in Western Bank Limited and no income was derived from banking sources (see note 4);
   (ii) The year ended 30th September 1975 included a contribution from both insurance and banking activities for the half-year ended 30th September 1974.
   (b) The profits of South African Townships Mining and Finance Corporation Limited (S.A.T.) for the half-year ended 30th September 1975 have been dealt with as wholly attributable to the corporation (see note 6).
   Earnings per ordinary share (adjusted to reflect that profits from the increased interest in S.A.T. were received for only a portion of the year) amount to 114.5 cents (1974: 113.6 cents — adjusted to reflect that profits from newly acquired subsidiary companies were received for only a portion of the year).
2. **Preference share capital**
   Pursuant to a special resolution passed at a meeting of members on 29th July 1975 the corporation increased its share capital by the issue on 30th July 1975 of 30 000 000 cumulative redeemable preference shares of R1 each.
   A dividend at the rate of 7½ per cent per annum accrued to the preference shareholders during the period from the date of allotment to 30th September 1975. In accordance with conditions applying to the preference shares whereby the rate may be varied to reflect market rates ruling from time to time the rate of dividend has been increased to 7¾ per cent per annum with effect from 1st October 1975.
3. *Investments held by the life insurance subsidiaries have been valued according to the practice of life insurance* companies.
4. **Western Bank Limited**
   Western Bank Limited (Wesbank) which became a subsidiary of the corporation on 1st April 1974 with the acquisition of S.I.I., was acquired during the year by Barclays National Bank Limited (Barclays) under a scheme of arrangement, in terms of Section 311 of the Companies Act 1973, as amended, between Wesbank and the Wesbank members, such scheme becoming operative on 26th March 1975.
   In exchange for its interest in Wesbank the group received 4 252 469 Barclays "A" ordinary shares of R1 each, fully paid. These "A" shares will be redesignated ordinary shares after the registration date for the final dividend to be declared by Barclays in respect of its financial year ended 30th September 1975 and will thereafter rank pari passu for dividend purposes.
5. **Schlesinger European Investments Limited**
   Schlesinger European Investments Limited (S.E.I.) and its subsidiaries, in which group the corporation acquired a controlling interest at the time of the S.I.I. acquisition, ceased to be a subsidiary during the year.
6. **South African Townships Mining and Finance Corporation Limited**
   In terms of a scheme of arrangement between S.A.T. and the S.A.T. members (other than Rand Selection Corporation Limited) which became operative on 27th October, 1975, S.A.T. became a wholly owned subsidiary of the corporation with effect from 1st April 1975.

By order of the board
For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED
London Secretaries
D. H. J. Pattison

London Office:
40, Holborn Viaduct,
EC1P 1AJ.

Office of the United Kingdom Transfer Secretaries:
Charter Consolidated Limited,
P.O. Box 102,
Charter House,
Park Street,
Ashford, Kent TN24 8EQ.

6th November, 1975.

COMPANY NEWS

R. Dutch-Shell third quarter net £217m.

NET INCOME divisible between Royal Dutch Petroleum and "Shell" Transport and Trading, was £217m. for the third quarter of 1975, which was 29 per cent. less than the figure of £304m. for the third quarter of 1974.

This brings the total for the first nine months to £674m. compared with £872m. The 1975 figure included £25m. from release of an over-provision against tax and £66m. profits on disposal of interests in a number of countries, partially offset by provisions of £42m. against possible losses in other countries. The 1974 figure included £125m. from abnormal *stock profits, partially offset by a* charge of £60m. against possible future contract losses by General Atomic Company.

Movements in exchange rates affected the results in several ways, the directors report. The strengthening of the U.S. dollar against most currencies reduced margins in several countries while the continued weakness of sterling inflated results expressed in that currency.

Although down in absolute figures compared with the third quarter of 1974, Shell Oil's percentage contribution to total net income, at 27 per cent., was higher than the corresponding quarter of 1974 and the second quarter of 1975.

Outside North America oil volumes and earnings were both down compared with the corresponding period. However, compared with the second quarter of 1975 crude oil supply and refinery runs increased and utilisation of primary distilling capacity improved to 68 per cent.

Also outside North America chemicals earnings and sales volumes were little changed from the previous quarter but severely depressed by comparison with 1974. However, prices have recently hardened slightly.

Natural gas earnings, although increased by comparison with 1974 were little changed from the second quarter. Although sales volumes in Western Europe were affected by the economic recession, prices remained firm and the Brunei LNG project continued to build up.

On October 27, 1975, agreement was reached between General Atomic *(of which a Shell company* has a 50 per cent. share) and Delmarva Power and Light for termination of their contract for constructing two reactors, against payment by GAC of U.S. *$123m. The group share of this* payment will be charged against provision for future contract losses set up in previous years and will have no impact on 1975 earnings.

The compensation offer made by the Government of Venezuela for acquisition on December 31, 1975, of Compañía Shell de Venezuela's oil interest under the nationalisation law has been accepted. The estimated loss has already been charged to earnings and there should be no further material impact.

Capital expenditure was £332m. for the quarter and £868m. for the nine months, up by 53 per cent. and 36 per cent. respectively over the 1974 periods.

Parent company equity in group net divisible income for the third quarter was N.Fl.5.42 against Fl.8.56 per Fl.20 share for Royal Dutch and 15.7p against 22.03p per 25p share for "Shell" Transport. For the nine months the respective figures were Fl.17.06 against Fl.24.82 and 46.82p against 63.12p respectively. In the case of "Shell" Transport, the amounts per share are exclusive of ACT leviable in respect of dividends paid.

See Lex

	Third quarter 1975	Third quarter 1974	Nine months 1975	Nine months 1974
	£ million		£ million	
INCOME				
Revenues				
Sales proceeds	4,550.1	4,447.6	12,931.2	12,616.0
Sales taxes, excise duties, etc.	976.2	876.7	2,653.6	2,497.3
Other revenues	99.6	68.6	307.4	196.0
Share of associates	37.9	23.1	140.7	44.0
Interest income	45.4	59.3	133.5	150.4
Total	3,756.8	3,726.8	10,559.2	10,510.6
Costs and expenses				
Purchases and operating expenses	2,288.8	2,096.5	6,466.7	5,631.7
Selling, general and admin. expenses	451.4	372.1	1,278.7	1,094.3
Exploration, research and development	100.3	77.3	276.5	282.3
Depreciation, depletion, etc.	119.3	112.5	353.5	337.3
Interest expense	50.0	51.9	140.9	124.0
Tax excluding U.K. Adv. Corpn. Tax	528.5	672.3	1,903.5	2,149.0
Minority interests	31.6	39.9	68.1	100.3
Net income divisible	216.9	304.3	674.3	871.7
FINANCIAL DATA				
Capital expenditure	332.4	217.1	867.9	637.6
Cash & short-term secs., Sept. 30			1,930.2	1,941.9
Long-term debt, Sept. 30, due within one year			2,058.9	1,513.4
OPERATIONAL DATA				
	thousand barrels daily		thousand barrels daily	
Crude oil supply	4,803	6,656	4,778	6,019
Crude oil processed	4,347	4,753	4,318	4,919
Oil sales	4,914	5,804	5,096	5,928
Crude oil	328	970	555	916
Oil products	4,388	4,834	4,541	5,012
	million cubic feet daily		million cubic feet daily	
Sales of natural gas	5,471	5,901	6,337	6,567

Operational data include 100 per cent. of consolidated companies' figures plus, for crude oil processed and sales of natural gas, the group proportion of associates' figures.

Net income divisible does not include any charge for U.K. Adv. Corpn. Tax on dividends flowing from U.K. companies to "Shell" Transport. Any such tax is allocated to "Shell" Transport and is available as a credit against its total liability for this tax, which is calculated on dividends it declares to its shareholders.

Hoover £14.6m. in nine months

FOR THE nine months ended September 30, 1975, profits of Hoover have reached £14.62m., compared with £8.32m. in the corresponding period of 1974. The third quarter shows an improvement from £1.55m. to £2.89m.

Sales for the nine months advanced £31.25m. to £124.39m. Profits include £344,000, against £1.35m., relating to Hoover (Holland) BV and its subsidiaries.

The directors report that U.K. sales in the third quarter have been well maintained and traditional market shares for major product lines have been largely recovered. It has not, however, been possible to implement price increases to the extent that higher costs would dictate; inevitably margins have suffered and will remain under pressure while the present economic conditions continue.

All aspects of costs have been under close scrutiny and every effort is being made to operate at lower cost levels while obtaining maximum efficiency from production operations.

Overseas markets remain depressed but there are now signs of recovery in some countries. With the aggressive promotional activity, and the further decline in the value of sterling, Hoover is more competitive and "in a good position to take full advantage as market conditions improve."

	Nine months 1975 £000	1974 £000
Group sales	124,839	93,149
1st quarter	37,819	26,486
2nd quarter	49,962	33,707
3rd quarter	37,858	32,967
Profit before tax	*14,618	8,314
1st quarter	5,316	1,440
2nd quarter	6,410	5,327
3rd quarter	2,892	1,547
Taxation	7,954	4,219
U.K.	6,973	2,006
Overseas	833	1,559
Hoover B. V.	148	654
Net profit	6,664	4,095
Dividends paid	1,199	1,147

* Includes Hoover (Holland) £344,000 (£1.35m.).

Earnings per 25p share for the nine months are stated at 34p against 21p, and an interim dividend of 5.54p, compared with 5.71p, has already been paid. For the year 1974 the total was 11.35p from profits of £4.92m.—earnings 6p.

See Lex

Second half downturn at Pochin's

DESPITE A rise in turnover from £6.66m. to £8.52m., profits of building and civil engineering contractors Pochin's fell from £450,096 to £382,065 in the year to May 31, 1975 before tax of £225,868 against £234,570.

In March, reporting a first half rise from £159,568 to £182,155, the directors said they were hopeful that the final results might be comparable with those for 1973-74.

Full year earnings are shown to be down from 20.72p to 15.02p per 25p share. The dividend total is raised from 3.5175p to 3.75375p net with a final payment of 2.87875p.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends considered are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims: Ovenstone Investments, Photax (London), Silhouette (London).

Finals: Assam Frontier Tea, British Amzani, British Debt Services, Convulus Investment Trust, Fourth City and Commercial Investment Trust, Haighton and Dewhurst, Herman Smith, G. and G. Kynoch, Lister, Wolseley-Hughes.

FUTURE DATES

Interims:	
Brent Walker	Nov. 14
Bright (John)	Nov. 12
Chamberlain Phipps	Nov. 17
Cullen's Stores	Nov. 19
King and Shaxson	Nov. 10
Shellabear Price	Nov. 13
Unerman	Nov. 18
Weston Pharmaceuticals	Nov. 13
Finals:	
Assam-Dooars	Nov. 12
Fenner (J. H.)	Nov. 19
Gleeson (M. J.) (Contractors)	Nov. 27
Jenks (A. E.) and Cattell	Nov. 10
Muirhead	Nov. 17
Supara Investments	Nov. 11
Town Centre Securities	Nov. 19

Beaverbrook profit: 1.62p dividend

THE RETURN to profitability expected by Beaverbrook Newspapers has materialised and the dividend is being stepped up from 0.335p to 1.625p net per 25p share.

Excluding an exceptional credit, profit for the year ended June 30, 1975 came out at £2.13m., after a loss of £0.65m. halfway.

Taking in the credit of £1.1m. gives a total profit of £3.23m., compared with a £1.35m. loss in 1973-74.

Earnings are shown to be 8.75p (loss 7.2p) per share. On the increase in dividend, the directors *say the decision* was a difficult one. "But it would be unfair to deprive shareholders of some participation in a profitable year even if less ample than we would hope." No promises can be made as to maintenance of that rate, they stress.

Any improvement in the national economy would lead to an upturn in advertising revenues and, apart from the effect on profits, this would allow a slowdown on the rate of increases in newspaper prices.

Rising cover charges must adversely affect circulation, "but we have a loyal and immense readership and can retain a high measure of confidence for the future."

	1974-75 £	1973-74 £
Total revenue	81,836,649	74,377,426
Profit before tax	2,129,622	*1,354,741
Exceptional credit	1,100,989	—
Taxation	1,816,969	†225,195
Net profit	1,413,632	*1,029,546

*Loss. †Rebate.

By the year-end bank borrowings had risen from over £6m. to £10m. But these increases were anticipated and result principally from capital expenditure of over £7m. incurred on new plant and machinery introduced into Fleet Street, and the two main property developments in Fleet Street and Bristol.

Since the year-end the directors have finalised a ten-year loan of £8m. from Finance Corporation for Industry and agreed other bank facilities for an additional £6m. *First repayment of the* FCI loan is not due until 1979.

These facilities will enable completion of the capital replanting programme, but the directors are intent on achieving reductions in borrowings at the very earliest opportunity.

See Lex

Farm Feed progress

On a turnover up from £1.27m. to £2.09m., net profit of Farm Feed Holdings increased from *£29,650 to £43,000 in the half year* to July 31, 1975, after tax of £47,000, against £32,000.

An interim dividend of 0.65p net per 25p share (nil) is declared. A single payment of 3.35p was made for the year to January 31, 1975 from a net profit of £83,254.

The directors consider the half year results to be "very satisfactory" and anticipate an improved level of profits for the year as a whole, says the chairman.

Sungei Bahru slump

Sungei Bahru Rubber Estates reports pre-tax profits down from £171,633 to £6,538 for the year to June 30, 1975, on turnover of £330,622 compared with £603,112.

Earnings per 10p share are shown to have fallen from 2.81p to 0.03p. The final dividend is 0.195p net lowering the total from 1.1725p to 0.39p.

	1974-75 £	1973-74 £
Turnover	330,622	603,112
Trading surplus	4,920	150,332
Investment income	15,863	16,566
Sundry revenue	4,661	2,487
Prior tax adjusts.	6,754	—
Replanting, etc.	25,730	22,012
Profit before tax	6,538	172,633
Tax	5,671	98,712
Dividends	10,116	30,413
Overspill relief	2,457	300
From reserve	6,750	*42,174
Carried forward	25,914	23,976

* To reserve.

RECENT ISSUES

EQUITIES

Amount Paid Up	Latest Renunc. Date	1975 High	Low	Stock	Closing Price p	+ or −	Div. Amount	Times covered	Gross Yield	P/E Ratio
F.P.	—	169	120	Corn Exchange	121	+1	b1.62	2.5	1.5	—
F.P.	7/11	330	335	Blanderd G'ld Min'g 20c	380	+30	—	—	—	—

FIXED INTEREST STOCKS

Amount Paid up	Latest Renunc. Date	1975 High	Low	Stock	Closing Price	+ or −
£10	30/1	10	9¼	Bristol (City of) 13¼% Deb. Stk. 1981	9½	−¼
£30	11/2	30¼	29⅛	Coventry (City of) 13½% Red. Stck. 1980	29½	......
F.P.	15/10	136½	113	Haslemere Est. 9½% '90-5	121	......
£50	9/1	51½	49⅞	Islington 13½% Red. Stk. 1980	50¾	......
£50	9/1	49¾	47½	Do. 14% Red. Stk. 1985/6	47¾	......
F.P.	28/11	99½	90¾	Lee Valley Water 9% Red. Pref. 1980	99¼	......
F.P.	—	100	99½	Midland Bank Float Cap Notes '82	100	......
F.P.	—	98	98	Noranda 9¾% Notes 1980	$C.98	......
F.P.	—	98	98	Do.	$C.98	......
£25	23/1	27½	26	Norcros 15¾% Deb. 1990/95	26½	......
Nil	17/11	¼p	¼p	Single 10% Cum. Conv. Pref.	¼pm	......
F.P.	28/11	120	102	Spirella 14% Conv. 1991	112	......
F.P.	—	98	98	Trans Union Fin Can 10½% notes 1980	$C.98	......
F.P.	31/10	99½	98¼	York Waterworks 9% Red. Pref. 1980	99	......

"RIGHTS" OFFERS

Amount Paid up	Latest Renunc. Dates †	‡	1975 High	Low	Stock	Closing Price p	+ or −
Nil	—	—	15½	10	Amal. Distilled Products	12pm	+1
F.P.	28/10	25/11	71	62	Babcock & Wilcox	71	+2
Nil	—	—	41	21	Cape Inds.	41pm	+6
Nil	—	—	29	24	Debenhams	28pm	+1
F.P.	6/10	14/11	65	49	European Ferries	65	+1
F.P.	30/10	28/11	70	60	Grand Met. Hotels	70	+2
F.P.	28/10	12/12	375	350	I.C. Gas	370	......
Nil	—	—	97	92	Minet Holdings	95pm	+5
F.P.	29/9	14/11	74	60½	Norcros	72	......
F.P.	30/10	9/12	89	69	Northern Foods	72	+2
F.P.	3/11	3/12	29¾	26	Peacock [illegible]	28	......
Nil	29/10	31/10	28	23	Raybeck	28pm	+2
F.P.	17/10	14/11	318	280	Royal Insurance	319	+8
Nil	12/11	14/11	23	10½	Weir Group	23pm	+5

...nunciation date usually last day for dealing free of stamp duty. a Placing ... to public. b Figures based on prospectus estimate. d Dividend rate paid or ...ble on part capital, cover based on dividend on full capital. p*** Pence ...s otherwise indicated. n Forecast dividend; cover based on previous year's ...ngs. T Figures assumed. ‡ Cover allows for conversion of shares not now ...ng for dividends or ranking only for restricted dividends. — Issued by tender. ...ered to holders of Ordinary shares as a "rights." ♥ 200 S.Afr. cents. ‡ Rights ...ay of capitalisation. †† Tender allotment price. ◆ Reintroduced. ⇄ Issued in ...ction with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to ...r Preference holders. ‡ Allotment letters (or fully-paid). • Provisional or ...-paid allotment letters. $ With warrants.

COMPANY NEWS

Slimma trading satisfactorily

Nearly four months into the current year, all companies in the Slimma Group are trading satisfactorily despite keen margins, and there is a healthy order book in all divisions.

The chairman, Mr. J. A. Harrison is confident that the group will "enjoy an increasing demand for products in the markets where we are trading."

Members are told that the directors are still concentrating on organic growth and are always prepared to look at acquisitions at home and aboard which would increase the return on capital employed.

As reported on October 17, turnover expanded from £9.59m. to £12.25m. in the year to June 30, 1975, pre-tax profits increased from £803,000 to £933,000, after a special pension fund contribution of £75,000, and the dividend is 1.97075p (1.8465p) net per 25p share.

Mr. Harrison says the group's performance was enhanced by a further improvement in cash flow giving additional strength to the overall financial position. A statement of source and application of funds shows an increase in net liquid funds of £371,000 compared with a decrease of £61,000 last time.

During the year Slimma purchased new factory space, plant and machinery, financed from own *cash resources. At the year-end* capital commitments stood at £660,000 (£135,000) of which £240,000 (£57,000) was contracted.

Meeting, Hotel Inter-Continental, Hyde Park Corner, W., on November 27 at noon.

Kulim down but bright prospect

BASED ON estimates for the full year 1975, appointed for *six months on a time basis, first-half* taxable profits of the Kulim Group, after a £230,000 provision for abnormal losses, would be £290,000, against the £922,000 actual 30 per cent. of the previous year's total.

On prospects, the directors say the prices of the principal product, palm oil, remains remunerative and, provided the rearrangement for fixing and payment of export duty is put into effect, prospects are "bright" and the group should soon return to a normal level of profitability.

The abnormal losses arise in respect of the financial failure of a principal palm oil dealer in Holland. As they are of an excep*tional* nature, the directors propose they be covered by a transfer from Reserves. Accordingly, this transfer will be taken into account in considering distributable profits for 1975.

Distributable profits will include an additional net amount of £150,000 comprising dividend from Chapman, Lowry and Puttick £100,000 and profit on sale of that company £105,000, less tax on sale £32,000 and loss on sale of quoted investments less tax relief £23,000.

It is explained that apart from the contributory factors of increased costs due to inflation and unfavourable exchange rates, the main reason for the fall in estimated profits has been the manner in which Malaysian export duty on palm oil is levied, as a result of which the Group found itself receiving a lower price for palm oil while paying a higher rate of duty than that price warranted.

These conditions will not recur in 1976, as steps have been taken to form a new shipping party, as a result of which the Group will have more direct control over sales; furthermore, it is understood the Oil Palm Growers' Council is currently negotiating with the Malaysian Government to permit sales contracts for palm oil to be registered so that duty will be assessed on the actual f.o.b. selling price. There are hopes that these negotiations will be successful.

The scheme approved on October 6, 1975 has now become effective — Kulim (Malaysia) Berhad has allotted Ordinary shares of M50 cents in its capital to holders of the shares and Convertible Stock of Kulim Group registered November 5, and the Group has become a wholly-owned subsidiary of Kulim (Malaysia).

	Six months 1975 (estimated) £	1974* £
Group profit	550,000	957,000
Provn. abnormal losses	230,000	—
Convertible int.	30,000	35,000
Profit before tax	290,000	922,000
Tax	185,000	490,000
Net profit	105,000	432,000

* One-half of actual year's result.

Expansion costs hit Airflow

In the half-year to August 31, 1975, from sales of £2.12m. against £2.18m. profits of Airflow Streamlines dropped from £146,000 to £69,000 before tax of £36,000 against £76,000.

The directors say that the motor division was appointed a Ford truck specialist dealer in January in addition to being a Ford car *retailer. The substantial expendi*ture on this expansion resulted in a loss for the period.

It is expected that this factor will continue to affect results for the division but to a lesser degree during the second half. Group profits for the last full year were £230,000.

The directors add that notwithstanding the costs of introducing a new range of cabs for industrial vehicles and a reduced demand for other products, the manufacturing division made a satisfactory profit.

The interim dividend is 1p net per 25p share compared with 1.174p. Cost is £15,825 (£30,209) after waivers of £10,127 (nil) by the chairman, Mr. A. Westley and his wife. Last year's final payment was 2.576p.

Campari's Continental drive

SINCE THE end of the financial year in May, trading emphasis had been on continued Continental expansion to cushion the effect of any possible further Government restrictions, said Mr. G. K. Benscher, chairman, at the annual meeting of Campari, the leisure group.

The directors had extended Common Market sales areas and appointed additional representatives. Large contracts had been obtained with important EEC mail order houses and department stores, the chairman reported.

Mr. Benscher said the company had been benefiting from the extended summer which reversed some of the earlier sales setbacks to the inflatable boat business caused by the spring Budget VAT increase.

Current order books and turnover were well up on last year, illustrating that the leisure in*dustry was as buoyant as ever,* he added.

Mr. Benscher concluded: "Whereas at present we have sufficient facts in hand to wish to forecast a satisfactory year, it would be unwise to do so: We must emphasise that the turbulence in our economy might invite the Government to introduce further restrictive legislation which could entail potential curbing of our performance."

Mitchell Cotts Transport

REFLECTING AN interest charge of £192,312 on overdrafts, group pre-tax profit of Mitchell Cotts Transport decreased to £621,744 for the year to June 30, 1975. The previous year's figure was £801,335 when interest paid amounting to £74,184 was capitalised as part of the cost of constructing a new refrigerated warehouse.

Stated earnings per 25p share declined from 7.72p to 6.4p, while the dividend is raised from 2.55p to a maximum permitted 2.72p net with a final of 1.67p.

On current year prospects the directors say they consider that results should be no worse than for 1974-75, and, if the trend of the first quarter continues, "there will be an improvement."

	1974-75 £	1973-74 £
Turnover	5,878,038	4,831,904
Group profit	814,056	801,335
Interest	192,312	—
Profit before tax	621,744	801,335
Taxation	192,989	283,823
Net profit	428,755	517,512
Dividends	182,240	170,850
Retained	246,515	346,662

The company, a 77 per cent. subsidiary of Mitchell Cotts Group, operates in the fields of commercial vehicle contract hire and maintenance, general haulage, warehousing and cold storage.

Statement Page 22

UNIT TRUSTS

M & G INVESTMENT TRUST INTERIM

The interim distribution on income units of the M and G Fund of Investment Trust Shares for the period to May 2, 1976, will be 0.5p net per unit. The corresponding payment last year was 0.45p net per unit.

EBOR SELECT INCOME

The latest distribution of Ebor Select Income Fund for the half-year ended September 15 is 214p per 100 units, against 200p for the corresponding period last year. Total 1975 distribution is 413p per 100 units compared with 378p in 1974.

In their report to unitholders the managers say that the basic structure of the fund was maintained with a broadly-based portfolio spread across most sectors. However, mainly on yield considerations, a number of stocks were sold after strong price performances and the proceeds used to purchase shares on more appropriate yields.

RESULTS AND ACCOUNTS IN BRIEF

ALLIANCE AND DUBLIN CONSUMERS GAS—Interim dividend 5p (nil) per £1 share for first half 1975. Board hopes that by next year it will be in a position to comply more fully with the listing agreement.

DAVID DIXON AND SON (LEEDS) (subsidiary of David Dixon and Sons Holdings)—Group turnover £1,485,480 (£1,179,194), year ended March 29, 1975. Profit £101,891 (£144,973), before tax £49,809 (£34,200) and payment to holding company for group relief £10,000 (£21,085). Fixed assets £290,946 (£323,233), due from holding company £189,781 (£383,534). Net current assets £258,763 (£111,018). Chairman says profitability has been maintained in first quarter of current year although trading is now much more difficult and the order book has been reduced. Meeting, Leeds, November 25, at 11.30 a.m.

INGALL INDUSTRIES (light engineers, funeral furnishers and timber merchants)—Results, year to June 30, 1975, scrip issue proposal and observations on prospects, reported September 30. Group fixed assets £653,881 (£768,986). Net current assets £128,264 (deficit £4,249)—overdraft £807,346 (£828,611). Meeting, Birmingham, November 26, at 12.30 p.m.

GRAFF DIAMONDS—AGM will now be held on November 28, at Park Lane Hotel, W. (noon).

KRAMAT TIN DREDGING—Dividend 40 cents, less Malaysian tax, on account of year to March 31, 1976, payable December 8.

PRESSAC HOLDINGS (electro-mechanical component manufacturers and precision engineers)—Results for year to July 31, 1975, reported October 17. Group fixed assets £1.06m. (£1.07m.). Net current assets £807,549 (£570,137). Meeting, Nottingham, on November 27 at 3 p.m.

ROSEHAUGH TEA (HOLDINGS)—Results for 1974 reported October 30. Fixed assets £104,919 (£105,215), net current assets £4,731 (£35,920 liabilities). Meeting, 37, Queen Street, E.C., November 25, at 10.45 a.m.

SECOND BROADMOUNT TRUST—Final 0.35p net, making 0.72p (0.7457p). Net revenue for year to September 14, 1975, £101,639 (£99,991) after tax of £54,235 (£50,077). Earnings per 5p share 0.82p (0.80p).

SECOND BROADMOUNT TRUST—Results for year to September 14, 1975, already reported. Fixed assets £1.14m. (same), current assets £57,535 (£72,175), current liabilities £1,920 (£1,950). Meeting, Piccadilly Hotel, W., November 28, at 12.30 p.m.

UNOCHROME INTERNATIONAL—Results for year ended June 30, 1975 already reported. Group fixed assets £5.1m. (£3.67m.), net current assets £1.17m. (£1.4m.). At October 15, Joreham Holdings held 15.54 per cent. of the Ordinary. The group intends for the immediate future to remain as liquid as possible and to develop the cash generating companies. Meeting, Cheltenham, November 28, at noon.

JAL aims at breakeven position for 1975

BY CHARLES SMITH, FAR EAST EDITOR TOKYO, Nov. 6.

JAPAN AIR LINES, which was one of the big losers among major world airlines last year, cut back its losses in the first half of its current fiscal year to Y1.6bn. (£2.5m.) and hopes to break even during the year as a whole.

This was revealed to-day by JAL's president, Mr. Shizuo Asada, in a Press conference which preceded by a week or so JAL's first ever capital raising venture in an overseas market. The airline is scheduled to issue Sw.Frs.80m.-worth of bonds next week in an issue underwritten by three Swiss banks. The bonds will be issued at a 7.75 per cent. interest rate for 15 years. JAL plans to use the money to purcase engines and parts for Boeing 747s and to build an engine maintenance base at Narita airport, the long delayed substitute for Tokyo's existing Haneda International Airport which is now expected to start operating within the next 18 months.

JAL's Y1.6bn. loss for the six months ending September 30 contrasts with a loss of Y17.45bn. in the first half of the 1974 fiscal year when the airline was feeling the initial impact of greatly increased fuel prices and was in addition suffering from the elimination of its profitable Tokyo-Taipei route. The better 1975 results reflect a 17 per cent. rise in operating revenue (to Y175bn.) set against a rise of only 7 per cent. in operating costs (to Y180bn.). A tax rebate of Y2bn. plus earnings of Y844m. from the disposal of fixed assets (including aircraft) helped to close the gap between revenue and costs.

JAL attributes its relatively modest increase in costs to the success of an economy campaign introduced early this year at a time when JAL's management became seriously alarmed about the scale of the airline's losses. Economy measures include 10 per cent. salary cuts for managers, a cut in new recruitment and a fuel saving programme based on changes in the list of "nominated alternate airports" used by JAL aircraft.

The new list shortens the distance between normal destinations and airports which may be used in emergencies which in turn reduced the amount of reserve fuel carried on JAL aircraft.

JAL's international traffic during the six months to September 30 showed a 16 per cent. increase (in numbers of passengers carried) over the same period of last year or an 18 per cent. increase in revenue (reflecting higher fares). Passengers carried on domestic routes, however, were down by 8.5 per cent., despite a temporary boom, from August onwards, in traffic between mainland Japan and Okinawa, created by the Okinawa Ocean Expo. JAL attributes the setback in domestic traffic to improvements in Japan's high-speed railway service as well as to the general effects on travel within Japan of the recession.

Swire Pacific forecast

BY PHILIP BOWRING HONG KONG, Nov. 6.

IN ITS document to Swire Industries shareholders giving details of its scheme of arangement to acquire the outstanding shares in Swire Industries in exchange for Swire Pacific shares, the latter has forecast earnings in the current year of HK$63m. against HK$51m. last year. The increase in Swire earnings is partly due to its acquisition earlier this year of 56 per cent. of Cathay Holdings, whose sole asset is a 60 per cent. interest in Cathay Pacific Airways, the Hong Kong-based airline. The acquisition was for a mixture of shares and cash. However, some earnings per share growth is also forecast—32.76 HK cents for each "A" share against 29 cents last year, and 6.55 per "B" share against 5.8 last year. The calculation is on the basis of weighted average share capital. In recommending acceptance, Swire Pacific has pointed to the increase in market value accruing to Industries shareholders of 18.8 per cent. for "A" shares and 22.9 per cent. for "B" shares on the basis of pre-announcement prices for both Industries and Pacific.

Since then, Swire Pacific shares have risen marginally. According to to-day's document, Swire Industries' shareholders will also get an increase of 39 per cent. in net tangible assets backing. However, on the basis of current dividends and allowing a return of 5.5 per cent. on the cash portion of the Pacific offer there is a decrease in earnings per share of 13.5 per cent. for Industries' shareholders.

In urging acceptance, Swire Pacific, which currently controls 51.8 per cent. of the total equity of Industries and 58.7 per cent. of voting rights, has warned of the difficult times that may be faced by Hong Kong United Dockyards, which is 50 per cent. owned by Swire Industries and is a major part of the company. HUD, it said, must face the cyclical hazards of the shipping industry and needs cash for modernisation and expansion.

Kaiser deal with Preussag

By Nicholas Colchester

BONN, Nov. 6.

AFTER ALMOST three years of wrangling Preussag of West Germany and Kaiser Aluminium and Chemical Corporation of the U.S. have finally found a way to end their unhappy co-operation in the European aluminium business, though even this solution does not allow Preussag to dissociate itself entirely.

Kaiser is to take over Preussag's half share in the jointly owned aluminium fabricating company — comprising a works making semi-finished products in Koblenz, a cable works in Berlin and foil and alloy operations in Switzerland and Belgium. No terms for the deal have been revealed.

This leaves the smelter at Voerde (70,000 tons per year). The limited company which currently owns Voerde, and in which Kaiser and Preussag each own half of the shares, is to be converted into a partnership in which Kaiser will be a partner with unlimited liability and Preussag a partner liable only to the extent of its current investment. At the end of this year, management of the company will be left in Kaiser's hands alone.

To-day's solution does not involve Vereinigte Aluminium-Werke, the big German aluminium producer which was once envisaged as a replacement for Preussag in the joint venture. This path was blocked at the beginning of this year by the German Cartel Office, which did not like the idea of Kaiser and VAW joining forces.

Meanwhile, Preussag announced to-day that it would probably be able to maintain last year's 7 per cent. dividend in 1975 despite a ten per cent. fall in turnover. After having solved its aluminium problems, Preussag now faces problems with its coal mining subsidiary, the Ibbenbueren Mines. Preussag is preparing to close the west pit with a potential loss of 1,200 jobs.

Australian banking contrasts

BY JAMES FORTH SYDNEY, Nov. 6.

TWO OF the major trading banks to-day reported conflicting profit trends. The National Bank of Australasia boosted earnings by 33.6 per cent. for the year to September 30 and announced a cash issue to shareholders, but the Bank of Adelaide suffered an 11.7 per cent. drop in profit for the same period. The main reason for the divergence was contrasting results by the bank's finance company subsidiaries.

The National lifted profit from $A19.5m. to $A26.0m. while the Bank of Adelaide's result dipped from $A7.1m. to $A6.3m.

Both groups increased earnings of the trading and savings banks, but the National's finance company, Custom Credit Corporation, improved where the Bank of Adelaide's Finance Corporation of Australia earned less.

Each of the banks will pay a steady dividend. The National will pay 13.5 cents a share, covered by earnings of 42.4 cents a share and the Adelaide 13 cents, covered by earnings of 20.1 cents.

National's trading bank business lifted its contribution from $A5.9m. to $A9.7m. and its savings bank from $A2.6m. to $A3.1m., while custom credit's contribution rose from $A10.4m to $A11.8m.

Adelaide's trading bank increased its profit from $A506,000 to $A813,000 and its savings bank from $A544,000 to $A677,000 but FCA's earnings dropped from $A6.1m. to $A4.8m.

The National's issue will raise $A25.9m. and is its second equity approach to shareholders within the past 12 months. The shares will be offered on the basis of one new share for every four held. The issue price is $A1.50 compared with a present market price of $A2.75 New shares rank for dividend from the start of 1976 and directors expect to maintain the 13.5 cents dividend rate on higher capital.

EIB raises DM150m.

By Mary Campbell

IN THE FIRST straight issue on the German foreign bond market since last July, the European Investment Bank, is to raise DM150m. for five years. Indicated coupon is 8 per cent.—slightly lower than had been anticipated and issue price 99 per cent. Lead manager is Deutsche Bank.

* * *

The amount of a Euromarket five year loan to Montedison has been raised from $30m. to $50m. Spread is 1⅜ per cent. and lead manager Citicorp International. Montedison is expected to raise further funds soon.

Belgium steps up bank controls after foreign exchange losses

BY DAVID CURRY BRUSSELS, Nov. 6.

A SERIOUS failure of supervision but no pursuit of private gain: that is the description of the heavy foreign exchange losses suffered by the Banque de Bruxelles a year ago according to the regulatory body, the Belgian Banking Commission.

The Commission has just published its annual report which shows quite clearly the scars left on the banking system by the B.Frs.3.5bn. (£44m.) foreign exchange loss suffered by the Banque de Bruxelles last year. The losses led to a still continuing criminal investigation and an inquiry by the national bank at the request of the Banking Commission. The Commission's president M. Jean Godeaux, gave a progress report on the latter when he presented the annual report.

He said there was no evidence that senior managers of the bank had deliberately tolerated the practices which broke foreign exchange dealing regulations nor that they had profited by them. Equally, he said that the people actually engaged in dealing had not done so for personal profit. However, he said that the inquiry had revealed a serious gap in supervision of the rules by management and lack of respect for them by the dealers in question, as well as problems derived from defining operating and administrative functions at the bank. These gaps were big enough to allow transactions to go unaccounted for over several months. The Commission also pointed to what it called inadequate control by the auditors.

It went out of its way, however, to assert that the problems which had led to the loss had now been put right by the bank. The Banque de Bruxelles is now part of the merged Banque Bruxelles-Lambert after its merger with Banque Lambert.

The Banque de Bruxelles' misadventure led, however, to a sharp tightening up of the Banking Commission's powers. Its powers to impose, with Government assent, the mandatory observation of structural ratios have been strengthened so that the Commission can now establish norms governing the covering of foreign exchange transactions. It can fix rules governing the maximum credit risk that can be taken with a single concern or with a group of concerns when they constitute a single risk from the standpoint of solvency. It can impose ratios related to the consolidated position of the banks and their subsidiaries.

The methods of control have also been reinforced. In particular the Commission has the power, when it thinks there are gaps in a bank's administration, to nominate a special commissioner by whom all decisions must be confirmed. The Commission has also the powers to collaborate more fully with foreign regulatory bodies, even where this means breaking the secrecy of its dealings with the banks.

The Banking Commission's constituency is to be widened shortly when the private savings banks will be brought under its supervision.

M. Godeaux refused to comment on the separate inquiry still continuing into allegations that Banque de Bruxelles and Banque Lambert had been the vehicles by which Belgian citizens had channelled funds through Luxembourg to dodge Belgian taxes.

Enka reduces union opposition

BY MICHAEL VAN OS AMSTERDAM, Nov. 6.

ENKA GLANZSTOFF, the troubled Dutch-based chemical fibres group, now appears to have overcome most of its difficulties with the Dutch trade unions over its much-publicised drastic restructuring programme which would involve a major reduction in jobs in three countries.

The largest of the Dutch unions, the socialist Industriebond NVV, which is also the most militant union, has now become completely isolated from the other unions at Enka. This follows the change of mind by Industriebond NVV to join the other unions in discussions with Enka on a national level. Earlier it had refused, insisting on multinational talks only.

But the NVV has become more and more isolated, despite the back up of the Akzo "World Council" of the International Chemical Workers' Federation and has now announced it is going ahead with industrial actions against Enka in Holland —initially in the form of protest demonstrations to be held at the Arnhem headquarters. The reason for the NVV change of heart appears to have been the decision by unions in Germany to enter into national talks with the German subsidiary of Enka.

At the same time, rumours have been circulating about imminent redundancies in Holland at Philips. Although Philips has denied that it is currently planning major lay-offs, it admitted earlier, that the natural wastage process and voluntary redundancies had proven to be insufficient in tackling overcapacity in certain sectors. Here too Dutch unions are preparing themselves to try and get the Dutch-based multinational to enter into "international" trade union negotiations. They accuse that company, too, of moving labour-intensive production out of Europe.

In a recent interview, the Philips president—like theAkzo'/Enka top management—stated that it does not want such talks and would insist on national talks with national subsidiaries who were familiar with local circumstances. It is believed that Philips is one of the companies which has put pressure on Akzo not to give in to union demands for international talks, therefore creating an unwanted precedent. Some of Philips' problems are in the computer sector.

NJA losses strain liquidity

BY WILLIAM DULLFORCE STOCKHOLM, Nov. 6.

NORRBOTTENS JARNVERK (NJA), the state-owned steel company whose plans for expansion have provoked a political controversy in Sweden, reports "a loss of Kr.111m. (£12.4m.) on a sales income of Kr.659m. (£73.2m.) "for the first eight months of the year. The company lost Kr.16m. on a Kr.617m. turnover during the corresponding period last year.

Managing-director John Olof Edstroem says the falls in both demand and prices have been greater than anticipated, while ore, fuel and wage costs have risen sharply. New orders for only 372,000 tons of steel were received during the eight months compared with 563,000 tons in the first eight months of 1974. The company has heavy production stocks, which it has written down below manufacturing cost, in order to bring them into line with current sales prices.

Investments continued at roughly the same rate as last year—Kr.209m. against Kr.206m. —and the new coking plant was brought into operation in June. The continuing high investment level, combined with stock expansion and the overall operating loss, has produced "a significant strain on the company's liquidity," Mr. Edstroem reports.

NJA's expansion plans, entailing the biggest single investment ever made in Swedish industry, have been modified from a one-stage, five-year project into a two-stage, ten-year programme. Industry minister Rune Johansson told Parliament this week that total investments would be some Kr.12bn. (£1.33bn.) at 1975 prices, compared with the Kr.4.3bn. originally projected for a plant to produce 4m. tons of semi-finished steel a year.

The new programme provides for two new rolling mills, to be built in collaboration with Krupp near NJA's Luleaa site and the other to be built together with the Stora Kopparberg concern at Gavle, further south on Sweden's east coast. This contrasts with the original plan under which the bulk of the steel produced would have been exported to the Continent.

VW of America sales plunge

BY GUY HAWTIN FRANKFURT, Nov. 6.

VOLKSWAGEN'S DECLINE in the U.S. market continued last month. Sales of both VW and Porsche models plunged further while Audi sales, which had been doing reasonably well, fell sharply for the second month running.

A report by Volkswagen of America shows that only 15,417 VW models were delivered in October — 49.1 per cent. fewer than the 30,292 sold in the U.S. in the same month of 1974. The October decline was even steeper than September's disturbing fall-off when deliveries, totalling 17,120 units, dropped 42 per cent. compared with the performance during the same month of the previous year.

During the course of the year, the U.S. market has steadily worsened for Volkswagen. Figures for the first three quarters showed that deliveries, at 225,841 vehicles, were 15 per cent. lower than January to September figures of 1974.

Last month's fall has, however, made the picture even blacker. The first ten months' performance of 1975 shows an 18.3 per cent. decline against the comparable period of 1974, with deliveries down from 295,401 to 241,258.

According to a VW of America spokesman the sharpness of the decrease was largely due to efforts by dealers to reduce their stocks. When the September decline was reported, it was explained that one reason for the fall-off was that 1975 models were being phased out while the 1976 models were being gradually introduced in October.

Deliveries of the top-of-the-market Porsche models fell by 11 per cent. to 970 units, although some comfort can be drawn from the fact that the drop was far less steep than September's 26.4 per cent. decrease. Even so, September deliveries, at 1,132 vehicles, were still considerably higher than the October total. Since the beginning of the year Porsche sales have fallen by 23.9 per cent. from 19,297 in the first ten months of 1974 to 14,694 units.

October also saw a 12.8 per cent. drop in Audi deliveries in the U.S., despite the fact that January to October figures show a slight improvement on 1974. Last month they totalled 3,934 units against the 1974 figure of 4,509. Up until October 31, 44,992 Audis were delivered in the U.S. market, against 44,533 in the first ten months of last year.

Mercedes, the major West German luxury car maker, also reported a fall off in deliveries to the U.S. in October. Like VW, dealers' efforts to reduce stocks were blamed. Mercedes deliveries, however, were off only 0.7 per cent. to 3,722 units, while figures for the first 10 months show 16.7 per cent. rise in demand, bringing deliveries to 37,773 units.

Meanwhile, West German motor manufacturers have learned that they are to face increased competition in their home market from Chrysler. It is aiming for a substantial increase in the West German market over the next few years.

Chrysler - Deutschland, the West German subsidiary of Chrysler-France, has announced that this year sales are expected to go up by 11 per cent. from 1974's 58,200 units to 65,000 units, while turnover is likely to rise by 30 per cent. from DM.500m. to DM.650m.

But over the next few years, Chrysler—West Germany's third largest car importers—plans to push its share of the Federal Republic's motor market from its present just under 4 per cent. to 5 per cent. This would give it an annual sale of about 100,000 units and a turnover of DM.1bn. To facilitate this, it plans to invest DM.25m. in its West German operation. For 1976, it is planning to sell between 75,000 and 80,000 vehicles.

Growth at Stanbic

BY RICHARD ROLFE JOHANNESBURG, Nov. 6.

THE INTERIM results of Standard and Chartered's 70 per cent. owned South African subsidiary, Standard Bank Investment Corporation, are further evidence of the rise in banking earnings for the six months to end-September. Stanbic's profit after bad debts and operating expenses rose from R12.3m. to R16.6m. and, at the net level, from R7m. to R10m., aided by a slightly reduced estimated tax charge. On the issued share capital, increased by 11.7m. shares to 45m. by the acquisition of City Credit and by the April rights issue, however, earnings were only a shade harder at 22.1c against 21.3c. the interim dividend is half a cent up at 8c.

The annual report in June forecast some easing of pressure of demand for loan funds and the interim now confirms that over the past six months this demand has been "slack." Liquidity in the banking sector has improved but the banks' lending rates appear to have fallen less sharply than borrowing rates and hence profit margins have improved.

On future prospects, the board notes that the measures announced by the Reserve Bank at the end of October to increase liquid asset requirements will adversely affect the profitability and capital requirements of the banking sector and that in the midst of these uncertainties, the outlook for the current six months is for continued growth but at a lower rate. Much will depend on the launching costs of Standard Bank's new credit card, associated with Master Charge and now to be introduced in competition with Barclaycard, and on the prospects of a turnround at the merchant banking division, whose profits fell from R2.6m. to R70,000 last year.

Copperweld drops legal action

By Jay Palmer

NEW YORK, Nov. 6.

COPPERWELD has dropped its legal battle to stop a take-over by Societe Imetal, the Paris-based holding company controlled by the Rothschild family. Announcing its decision this morning, the Pittsburg speciality steel company stressed, however, that "it remains firmly opposed to the take-over" and will continue to recommend that shareholders do not accept the offer.

The U.S. company's objections now seem to centre exclusively on the "inadequacy" of the $42.50 a share offer. Commenting yesterday on the informal meetings which were held earlier this week between the two companies, Copperweld's chairman pointed out that he would remain opposed only in the absence of "a substantial increase in the offer."

Copperweld's abrupt decision that the "time and expense of further litigation is not warranted" follows its defeat in two separate court actions. Early last month a Pittsburgh district court rejected arguments that the take-over would violate Federal anti-trust and securities laws and last Friday, an appeals court refused to block the bid temporarily pending the company's planned appeal of the lower court ruling. Copperweld's legal capitulation comes as some surprise. The company had stressed time and again that it would fight the deal to the highest courts and many had argued that such delaying actions could either cause Imetal to give up or prompt it to increase its offer.

Imetal's offer will be adjusted later to-day to $40.50 a share to take account of a recent dividend payment by the U.S. company. Given that the shares pre-bid 1975 "high" was only just over $30, shareholders must be tempted by the deal. At the same time, the continuing opposition of directors and employees of the company, together with recent projections of rising earnings, will put pressure on Imetal to up the price.

Air Canada cuts jobs

By Robert Gibbens

MONTREAL, Nov. 6.

BECAUSE of declining passenger traffic and rising operating costs, Air Canada is eliminating [illegible] senior marketing executive positions. The marketing organisation has been revamped, making the positions redundant.

Most of the executives will go to other jobs in the company, but some will be offered golden handshakes. The executives were working in the Montreal head office, and were earning an average of $Can.30,000 a year.

Goodyear sees record sales

Financial Times Reporter

RECORD SALES and an earnings increase of more than 15 per cent. by the Goodyear Tire and Rubber Company for the third quarter of 1975 are announced by Mr. Charles J. Pilliod Jr., chairman and chief executive officer.

Mr. Pilliod said that sales of £685m. for the quarter ended September 30 were up 3.5 per cent. over the £661m. for the third quarter of 1974.

Net income for the third quarter was £21.3m., up 15.4 per cent. over the £18.5m. for the corresponding period last year.

Nine months sales totalled £1.98bn., a 4 per cent. increase over the previous nine months record of £1.91bn. last year.

Nine months earning of £58.4m. were slightly below the £58.7m in the same 1974 period, held down by the depressed first quarter of 1975.

Goodyear expected to show further improvement in the fourth quarter, Mr. Pilliod said. He predicted that the company would exceed 1974 sales and earnings.

The Goodyear chief executive said that the third quarter results were helped considerably by a strong showing in the replacement tyre market in the United States, which was continuing to show improvement.

He said foreign sales were up for the first nine months, with business in Latin America continuing strong, but that foreign earnings were still depressed by the lagging European economy. Mr. Pilliod predicted that it would be mid-1976 before any significant signs of recovery were seen in Europe.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Amax 8½pc 1986	96	97
Ashland 8pc 1987	89½	90½
Austrasviss 8pc 1987	89½	90½
BFCE 9pc 1980	95½	96½
Borregaard 8½pc 1989	92½	93½
Carrier 8pc 1987	88½	89½
Conoco 8pc 1986	94½	95½
Consol. Foods 7½pc 1991	85½	86½
Cutler Hammer 8pc 1987	90½	91½
EIB 9½pc 1985	99¼	100¼
Esso 8pc 1986 Nov.	97	98
General Cable 8½pc 1987	86½	87½
General Motors 8½pc 1986	101¼	102¼
GTE 9½pc 1986	95½	96½
ICI 7½pc 1992	79	81
Nat. Grindlays 7½pc 1987	73	75
Pacific Light 8pc 1988	89	90
Prov. of Quebec 7½pc 1988	86¾	87¾
Quebec Hydro 8½pc 1989	97¾	98¾
Queensland 8½pc 1987	85¾	86¾
Scanraff 8½pc 1988	95	96
Shell 8pc 1986	93¾	94¾
Standard Oil (Ind.) 8½pc '88	99	100
Tenneco 7½pc 1987	86½	87½
Transocean 8pc 1986	94½	95½
TRW 8½pc 1986	98	99
Utah 8pc 1987	89½	90½
Volvo 9½pc 1985	99½	100½
NOTES		
Air France 9½pc 1982	100¾	101¾
Aust. Ind. Dv. Co. 10½pc '81	103½	104½
Barclays 7¾pc 1979	96	98
Cie Natl. du Rhone 10pc '82	102½	103½
Du Pont 7½pc 1978	101½	102½
Esso 7½pc 1978	100½	101½
General Motors 8½pc 1976	100½	101½
Marubeni 9½pc 1982	100½	101½
Nippon Fudosan 10½pc 1981	102	103
Skandnvska. Ensk. 10½pc '81	103½	104½
Tenneco 7¾pc 1979	95½	96½
[illegible]	[illegible]	[illegible]
Toyo Curacao 10½pc 1981	102	[illegible]

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	79	81
Ashland 5pc 1988	77	[illegible]
Beatrice Foods 4¼pc 1992	94	96
Beatrice Foods 4½pc 1992	101	[illegible]
Borden 5pc 1992	92½	[illegible]
Broadway Hale 4½pc 1987	71½	73
Canon Camera 7¼pc 1989	85	[illegible]
Carnation 4pc 1987	56	[illegible]
Chevron 5pc 1988	98	100
Dart 4½pc 1987	80	82
Eastman Kodak 4½pc 1988	114½	116
Economic Labs. 4½pc 1987	77	79
Eldal 7½pc 1989	77	82
Fed. Dept. Stores 4½pc 1985	130	132
Firestone 5pc 1988	88	90
Ford 6pc 1986	86	88
Ford 5pc 1988	75½	77
General Electric 4¼pc 1987	93	95
Gillette 4½pc 1987	73	75
Gould 5pc 1987	97	[illegible]
Gulf and Western 5pc 1988	86	88
Harris 5pc 1992	86	[illegible]
Honeywell 6pc 1986	78	[illegible]
ITT 4½pc 1987	69	71
Komatsu 7½pc 1990	101	103
J. Ray McDermott 4¾pc '87	118	[illegible]
Mitsui 7½pc 1990	101	105
J. P. Morgan 4¾pc 1987	96	[illegible]
Nabisco 5½pc 1988	91	93
Owens Illinois 4½pc 1987	86	88
J. C. Penney 4½pc 1987	76	78
Pioneer 6½pc 1989	153	[illegible]
Rank 4½pc 1993	41½	43
Revlon 4¾pc 1987	97½	[illegible]
Sperry Rand 4½pc 1987	96	98
Squibb 4½pc 1987	82	84
Texaco 4¾pc 1988	74	76
Toshiba 6½pc 1990	101	103
Union Carbide 4½pc 1992	102	104
Warner Lambert 4½pc 1987	91	93
Xerox 5pc 1988	[illegible]	[illegible]

Source: Kidder, Peabody Securities.

Beaverbrook Newspapers Limited

Year to 30th June 1975

	1975 £	1974 £
Total Revenue	81,836,649	74,377,426
Trading Profit	2,129,622	Loss (1,354,741)
Exceptional Item	1,100,899	—
Profit before Tax	3,230,521	Loss (1,354,741)
Tax	(1,816,869)	325,195
Net Profit	1,413,652	Loss (1,029,546)
Per Ordinary and 'A' Ordinary Share		
Net Profit	8.75p	Loss (7.20p)
Dividend	1.625p	0.335p

It is with some satisfaction but no complacency, that I report a trading profit for the year of £2.130 million (which compares with a loss in the previous year of £1.354 million).

The Bank borrowings increased from over £6 million at the commencement of the year to over £10 million at the end of the year. These increased borrowings were anticipated and result principally from capital expenditure of over £7 million during the year incurred on new plant and machinery introduced into Fleet Street and the two main property developments in Fleet Street and Bristol.

Since the end of the financial year we have finalised a 10 year loan of £8 million from the Finance Corporation for Industry and agreed other bank facilities for an additional £6 million. The first repayment of the FCI loan is not due until 1979. These facilities will enable us to complete our capital replanting programme but your directors are intent on achieving reductions in borrowings at the very earliest opportunity.

Last year a total gross dividend of 2% was paid and I am now recommending a final gross dividend, no interim having been paid, of 10%. The decision to recommend this dividend was a difficult one since prudence enjoins caution. But, with the fluctuation in newspaper fortunes, it would we believe, be unfair to deprive shareholders of some *participation in a profitable year — even if less ample than we would hope. I can make* no promises as to the future maintenance of this dividend due to the country's economic difficulties to which we as an industry are so closely linked. Any improvement in the national economy would, of course, lead to an upturn in our advertising revenues and, apart from the effect on our profits, this would enable us to slow down on the rate of increases in the prices of our newspapers which must adversely affect circulation. But, we have a loyal and immense readership and can retain a high measure of confidence for the future.

MAX AITKEN
Chairman.

NORTH SEA OIL REVIEW — BY DAVID FISHLOCK

Avoiding another Ekofisk tragedy

THE DEPARTMENT of Industry's Corrosion Committee could scarcely have expected to make its public debut to such dramatic front-page headlines as "Oil pipe corrosion caused rig explosion;" heralding the Norwegians' explanation for last week-end's explosion on *Phillips' Ekofisk field.* But the Committee's seminar in London yesterday—ironically on the theme: "We do not have corrosion problems in our company," —was to prove all too tragically apt.

The oil companies were not well represented. Apart from British Petroleum which sent three men along, only Burmah-Castrol and Petrofina had people attending; although other companies in evidence *with perhaps a less obvious* interest in corrosion included Allied Breweries and Pearl Assurance.

Promotion

The meeting had been organised by one of the Department's Committees for Industrial Technologies, a clutch of bodies that advise it on the promotion of the economic benefits to be gained from such oft-neglected activities as more efficient lubrication (tribology), planned maintenance (terotechnology) and corrosion control. In each case the economic advantage to U.K. industry has been demonstrated, on paper, to be very great.

In the case of corrosion control—no Greek-derived term has yet been invented—savings possible from the application of knowledge and experience already available in the U.K. are estimated at £500m. a year, according to Mr. *Gilbert Hunt,* chairman and chief executive of Chrysler (U.K.), when he opened the seminar yesterday. Rhetorically posing the question of why industry was not jumping to take advantage of the potential benefits, Mr. Hunt said that one reason was that corrosion was seen widely as a "built-in overhead about which nothing can be done."

But he cited the small company which, when asked for its experiences of corrosion control, had replied that it had no relevant experience to offer. The request itself then set it thinking about corrosion for the first time. It discovered that corrosion was indeed costing the company cash—about £43,000 a year, of which it could save £10,000 just by paying more attention to its own records.

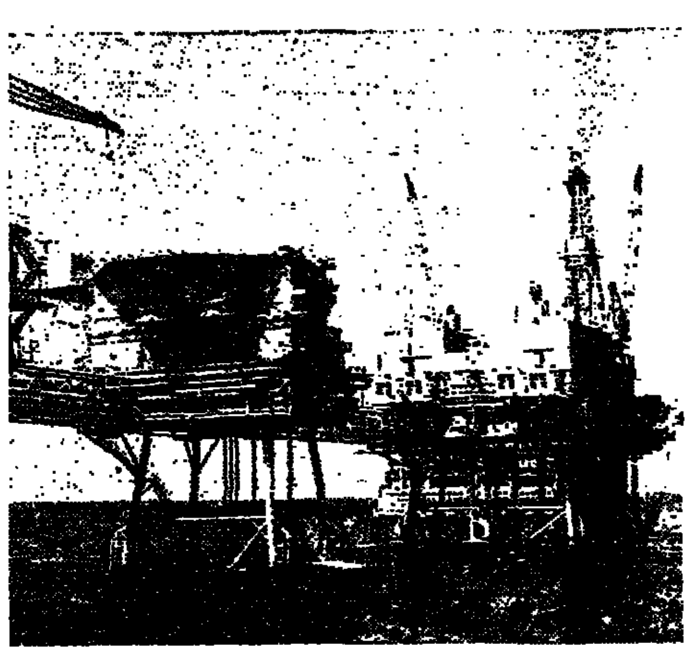
The oil and chemical industries, however, have long been among the most "corrosion conscious," mainly because they have most to lose from the contamination of their products and the interruption of output that can result. For this reason, although the oil and chemicals is one of the four industrial sectors estimated to suffer the greatest financial *losses from corrosion—the* others being transport, marine, and construction—it is also considered to be one of the least rewarding points of attack for financial savings through better corrosion control.

Difficult

In the North Sea, however, the oil industry is faced by a new and much more difficult situation. Essentially, the problem is one of placing very large industrial plant in a particularly hostile marine environment. The solutions are based largely on experience gleaned in much milder offshore conditions essentially free from the stresses and strains that can accelerate alarmingly any incipient corrosive attack.

Any marine operator accepts accelerated corrosion as a consequence of working in a salt-spray environment, known to every corrosion scientist as one of the fastest ways of exaggerating most kinds of corrosion. A ship designer makes generous allowance in the thickness of steel plating for losses his vessel can expect to suffer over its lifespan.

Yesterday, Mr. Hunt claimed that, by better corrosion control *through painting,* it was possible nowadays to save some 3,000 tons of steel in designing a very large crude carrier (VLCC). The extra metal would otherwise be needed to make sure that the ship's plating could never thin to the point of becoming dangerously weakened.



Part of the central production complex on the Ekofisk field: now two of the Phillips Group's three production platforms there are out of action following last Saturday's accident.

Offshore contractors believed they were over-designing to compensate for any abnormal loads imposed by the North Sea. But scientific evidence began to accumulate in the early 1970s showing that they might still be under-estimating the stresses of such sustained hostility as the North Sea could muster.

One result was a decision by the Department of Industry's Ship and Marine Requirements Board to approve a £1m. research programme by the National Physical Laboratory, aimed at making offshore structures safer. It included the construction of a large instrumented rig, now nearing completion in Christchurch Bay, to learn more about the formidable forces exerted by wind, waves and currents on offshore structures.

Corrosion, too, was a cause for growing concern, not least because so many forms of corrosion are intimately associated with stress, fretting, fatigue and other familiar metallurgical afflictions. The kinds of carelessness all *too familiar* to insurance companies accustomed to investigating failures in industrial plant—such as stray bolts which are inadvertently rolled into the surface of steel plates or pipes—can prove disastrously weak spots in structures as highly taxed as offshore rigs and platforms. Differences in their chemical make-up can set up an electro-chemical cell in which brine provides the electrolyte and one of the metals is voraciously eaten away.

Brine

Such a situation can also occur if a small area of metal is exposed to brine through damage to its protective coating. From what the Norwegians have so far disclosed, the feeder pipe which exploded on Alpha Platform had been struck recently near the waterline—not for the first time—by a vessel which damaged its protective jacket of concrete and, inevitably, the soft bitumin corrosion-preventing coating round the pipe itself.

An urgent exercise is now in hand to discover whether damage of a kind that might prove tolerable in less inhospitable conditions may not be seriously endangering other offshore structures.

Corrosion experts have been saying for some while, however, that not until the offshore industry has efficient ways of detecting and monitoring corrosion will it be sure it can take action in good time. Dr. Peter Elliott of the Corrosion and Protection Centre (CAPSIS) at the University of Manchester Institute of Science and Technology relates it to the experience of every motorist. The motorist with a corroded silencer can *hear* his corrosion *problem, says Dr. Elliott.* He will *smell* it if the problem is a corroded exhaust. He will *feel* it—as pain—if his problem is a corroded surgical implant, say to replace an arthritic joint.

The oil industry needs sensors as sensitive as a man's ears and nose that will detect, locate and measure the rate of corrosion at any sensitive point such as a pipeline operating at high pressure or a load-bearing part of a platform. It then needs to tie such sensors into a monitoring system which can ensure that no significant event detected can ever be overlooked.

Such corrosion monitoring systems are already being developed by other U.K. energy industries to protect massive investments in new *plant. One is British Gas,* whose problem is the integrity of the high-pressure natural gas grid—some 2,500 miles of pipeline across Britain carrying gas at pressures of up to 1,000 lbs per square inch.

Studies by its Engineering Research Station have led to a proposal for "finger printing" the inside of the entire pipeline so that, through regular re-examination, any subsequent deterioration caused by corrosion or external damage can be *followed throughout its life*span or until repairs are considered necessary.

If the tragedy in the Ekofisk field last week-end has a constructive outcome it could be to convince the oil companies and the regulatory authorities that something similar to this very ambitious system of corrosion inspection will be essential for guaranteeing the integrity of North Sea structures.

Sime Darby

Extracts from the Chairman's Review

Sime Darby Holdings Limited Report and Accounts

for the year ended 30th June, 1975

Profits and Dividends

Consolidated profits before extraordinary items and taxation for the period were Malaysian $105.2 million (£20.8 million).

Profits shown in the accounts last year at $135 million (£23.4 million) included 15 months profit of Consolidated Plantations Ltd. and, after excluding profit of this company for the three months ended 30th June 1973, to make the profits for the two years on a comparable basis the decline was 18%.

Taxation amounted to 71% of group profits compared with 48% last year. The tax charge includes Malaysian excess profits tax for two years because this tax was applied retrospectively to profits of 1973–1974. A substantial part of the exceptionally high tax charge arose because losses of some group companies could not be set off against the profits of others. With more businesses in the Group moving from loss into profit in the current year the effective rate of tax should be materially lower.

Extraordinary items of $22.7 million (£4.5 million) were again at a very high level. The greater part of these charges arose as a result of a change in group policy with regard to investments bought for long-term strategic reasons. A number of these investments have been sold and losses on such sale have been shown as extraordinary items. Furthermore, provision has been made to reduce the book value of the remaining investments to the market value.

After deduction of tax and extraordinary items the loss attributable to shareholders amounted to $6.9 million (£1.4 million). Your Directors, after due consideration of the overall trading results for the year, prospects for the current year and the improved cash position of the Group, recommend a final dividend of 12.5% less tax, which with the interim dividend at 7.5% paid on 31st May 1975 makes the distribution for the year 20%, compared to 18.9% in 1974. This increase in the rate of dividend will in effect maintain the distribution at the level of last year, in terms of Malaysian and Singapore currencies.

Finances

A major objective during the year was to make the Company's financial base more secure and this has involved restructuring some companies, significant divestment and more rigorous controls of stock and debtors.

The Woodward & Dickerson companies which traded in fertilisers were sold in January 1975. The activities of these companies duplicated other operations within the Group and we therefore accepted a reasonable offer to purchase them.

The controlling interest in Clive Discount Holdings Ltd. was sold by public offer during the year, the Group retaining an interest of approximately 15 per cent. The moneybroking subsidiaries of Clive were hived-off before the sale and retained.

For some years the Group had an investment in Clarke & Smith Industries Ltd. In July 1975 this was sold. As part of the transaction the Group acquired the whole of the issued capital of W.F. Stanley Ltd. which was originally part of Clarke & Smith. W.F. Stanley is a long-established manufacturer of instruments and technical products in the United Kingdom.

Our quoted investments were reviewed early in the year and some low-yielding stocks were sold towards the end of the year when market conditions were considered opportune.

The resulting saving in interest will only be fully reflected in next year's profits.

At the beginning of the financial year we had high stocks of heavy equipment and other materials, together with substantial orders placed with our suppliers. The result was that by the end of the first quarter, stocks increased to a peak and were at a very high level during a period of high interest charges. Stocks are now significantly lower and at realistic levels for the types of businesses in which we are engaged.

As a result of all these actions total borrowings, less cash and deposits, were reduced from $278 million to $156 million.

All quoted and unquoted portfolio investments are now recorded at the lower of market value or cost in the consolidated accounts. This policy, together with the adoption of a revised procedure of accounting for acquisitions, resulted in considerable adjustments to the valuation of such assets. Shareholders will be aware that for some years the company followed a *policy of accounting for acquisitions not in accord with* our auditor's views and this was recorded in a note to the accounts and the auditor's report. The Board has now decided to resolve this difference of opinion and has accordingly made appropriate adjustments to the accounts. This change is explained in the statement of accounting policies on page 14 and does not affect the Group's profits for the year or the revenue reserves of the company.

General Review and Future Outlook

The past year was one of exceptional change in your Company. During previous years when share prices were high, acquisitions and investments were made at a rate that led to rapid expansion of the Group's activities – and its problems. In the last two years there were changes in the composition of your Board and in the Group's general management, and these changes coincided with the urgent need to consolidate. We have now established an improved financial base and introduced a new management team which has had time to become familiar with the complicated problems arising from the past.

The section at the end of the report which sets out particulars about the management of the Group will give some indication of the scale of our activities.

Preliminary results of the first three months of the new financial year are encouraging as they indicate that many more operations of the Group are now contributing to profits. However, we are still vulnerable to commodity price movements, to the situation in the logging industry and to the state of the world economy. Because of these factors I do not propose to forecast the results of the current year. Your Board is confident, however, of the company's ability to meet challenges in the future years and to resume its pattern of growth.

Management and Staff

I have been fortunate in receiving the full co-operation and wholehearted support of my colleagues on the Board as well as all members of the management for which I am most grateful. We have functioned harmoniously as a team. Mr. Bywater and all executives have strived with dedication and unflagging devotion to re-organise the Group and to resolve the many special problems encountered during the year.

The present strengthened financial position of the Company is the best testimony to their endeavours and I am sure that shareholders *will wish to join* me in thanking them and all employees of the Group.

Chairmanship

In December 1973 your Company faced formidable problems, and was without Chairman or Chief Executive. To ensure that the hiatus was kept to a minimum I agreed to accept the Chair, at the same time as Mr. Bywater accepted appointment as Chief Executive, with the understanding that each of us would have the support of the other. We were both aware that I would continue as Chairman only for the period of time required to enable major problems to be identified and dealt with, in particular, a new top management team recruited and co-ordinated and the Group's finances brought into better order.

The reconstituted and strengthened Board has established firm control over the Company's activities and the problems which the Company faced at the end of 1973 have been largely resolved. I feel that I can *now relinquish the very burdensome* duties of Chairman and, in view of my other heavy commitments, my appointment as Director as well. I have therefore decided to do this soon after this Annual General Meeting.

So that continuity can be maintained, Mr. Bywater has indicated his willingness to act as Chairman, while continuing as the Chief Executive, although both of us firmly believe in the principle that these functions should be kept separate, Mr. Bywater has therefore agreed to accept the joint responsibilities on the understanding that these functions will again be separated at the earliest practical date.

6th November, 1975. Tan Chin Tuan CHAIRMAN

Copies of the full Report and Accounts may be obtained from The Secretary,
Sime Darby Holdings Limited, 19 Leadenhall Street, London EC3V 1NN

The Property Market

BY QUENTIN GUIRDHAM

Monday is funds' last chance on Bill

Having got their way in the Lords, the pension funds face Monday in the knowledge that the Commons then takes a final decision on the Community Land Bill which could mark a radical change in the special treatment so far offered the funds. There is a strong possibility that the line taken in the Commons next week will determine the outcome of the larger question the funds are faced with, their liability to Development Land Tax.

What the funds won in the Lords, with Baroness Young leading for the Opposition, was the right to compensation on existing basis for all land held on White Paper Day for the next ten years (that is, 11 years from the White Paper Day). The other half of the question, in which the funds seek to be treated like the churches and charities, is to have exemption from Development Land Tax on WPD holdings for the same period.

The Government has set its face firmly against this special treatment. It has decided that the funds are like commercial undertakings and must be treated as such. Unlike pension funds, churches and charities are not acting like commercial and industrial companies and undertakings, said Lord Melchett for the Government in the Lords.

There seems to be also the unspoken assumption that if the funds do lose some of the value of their holdings to local authorities, then industry can always make up the deficits this contributes to (though the size of some of the deficits in nationalised industry funds might have contributed to some second thoughts here).

As it is, the betting must be that the funds will lose a tax exemption which has existed since the 1922 Finance Act decided to treat pension fund trustees in the same way as churches and charities in respect of tax. They have been threatened with losing this before. Both the Tory version of Capital Gains Tax and the Labour one which reached the statute books initially contained no exemptions for the funds.

They are not, now, asking for exemption for ever. What they do argue is that they should not be retrospectively taxed.

By this the funds mean that having taken property investment decisions before White Paper Day, it is unreasonable to subject them to tax and compensation terms of which they had no knowledge. Thus in their Land Bill lobby the funds have only asked to follow the churches and charities in this one respect of compensation for acquisition of pre-WPD investments.

Thus, if the Church Commissioners, or the trustees of a college fund bought land before WPD in order to use the income and capital to provide benefits to clergymen or dons, why, the funds ask, should these bodies receive more favourable treatment in this respect than those trustees who similarly bought land to benefit the 12m. other workers in pension schemes?

The fund managers argue that they need what may look a long period to arrange their affairs because of several factors: tenancies often cannot be terminated in order to permit redevelopment; delays in obtaining ODPs; the economic and financial factors which can delay redevelopment; even at the best of times it would not be possible to sell such a vast amount of property except over a very extended period. But the Bill itself may reduce the investment market for property. The prospect of a Second Appointed Day at an uncertain future date will mean that there will be no willing purchasers, so the funds argue, at above current use value.

These seem reasonable arguments. Seeing that the funds are not pursuing a claim to long-term exemption to DLT, even though the Government expects them to play a major part in financing development in the future, hopes of a fairly fierce Commons exchange on this point will remain alive, at least until Monday.

Reamhurst change

One way of looking at the cash flow problems which have provoked the changes at Reamhurst Properties, with Hill Samuel Life Assurance taking full control and starting to sell off what they can, is to say the company's funding held out quite a long time. After all, Hill Samuel found from March, 1974, on because of the connected persons legislation that it was unable to provide any more guarantees to add to its £6½m. Since the point of the Reamhurst startegy lay in the life company's long-term backing, to have held on for 20 months in present market conditions is a respectable performance.

Neither side will specify what HSLA paid for Julian Markham's 65 per cent. of the equity, though he claims it was a "substantial amount." These days that probably means something under £¼m. He will remains as managing director to supervise disposal of the properties and holds a profit sharing agreement related to sale prices.

Formerly a ladies sportswear designer, Markham has now had three property lives, with E. L. Wood, Truscon Properties and, springing from his purchase of Truscon from the parent construction group, with Reamhurst.

In Reamhurst's European expansion, most of the deals seem fundamentally sound, though the 150,000 sq ft on the Boulevard du Soverain, Brussels, completed last month, may prove tricky for HSLA to let and sell. But in Holland, the lettings rate has recently improved.

Bank of China wants £3.65m.

An interesting City freehold being offered for sale is the Bank of China's building, London Stone House, on Cannon Street at the end of St. Swithin's Lane. It is a fairly rare item, being a purpose-built, fairly modern (12 years old) banking headquarters on virtually an island site. The banking hall area is 1,225 square feet, with upstairs offices of 10,920 square feet and a total of 15,280, including banking utilities like a strongroom and bullion lift.

The Chinese are moving in the New Year to Mansion House Place, where they bought the J. and A. Scrimgeour sub-lease. Property Holding and Investment Trust, which has the head lease, queried the precise legal position of the Bank in terms of sovereign immunity and got the stockbrokers to pay £200,000 for permisison to assign the sub-lease. But it was not this little fracas which has caused the Chinese to try to sell, rather than let, London Stone House.

They don't see their business as being landlords and there could be a profit approaching £2m. in selling the freehold and buying the lease (for £1.8m.) on the bigger premises they need in Mansion House Place. But this raises an interesting market position, since Jeffrey Young and Co., the Bank of China's agents, say among the first reactions to offering the building have been institutions saying they would be keen to do an investment deal once the building is let.

This could offer a sale-and-leaseback prospect for any user who buys the building. But Jeffrey Young thinks a bank is the most likely taker, and several agents have lately talked of a return of interest for City premises with a banking hall.

It is no longer so much the U.S. banks wanting space, but Europeans and Japanese. Having arrived in the City after the big wave of American banks, there are several of these now approaching the time for converting their representative offices into full branches.

Rating assessments on London Stone House are £154,500 gross value, £128,722 rateable value. The price being asked is £3.65m.

That looks fairly heavy, but then the sellers presumably feel that in this sort of banking premises a furlong from the Bank of England it is still possible to buck the declining rents pattern and may have done their sums assuming a notional rent role of up to £240,000. This will be a leading test of how far a bank which intends to stay around the City for a long time is prepared to pay a premium for getting its freehold and, while stuck with the imponderable rates factor, at least escape the uncertain trend of future rent levels.

The buyer will also, though the building is a pretty standard Sixties slab to look at, be getting a bit of London history. Behind a grille on the Cannon Street frontage is a fragment of the London Stone, a piece of limestone which used to rest in the ground outside what is now Cannon Street Station and which may have been the mark in Roman London from which all mileages were measured. In the 18th century the stone was built into a wall of the Church of St. Swithun, which was demolished in 1962 and London Stone House built on the site (the main stone is now in the Museum of London). Jack Cade, in Henry VI Part Two, strikes the stone with his staff and declares himself master of the City. So could suit ambitious banker.

Slough starts work on Suttons

THE contract is now out for roadbuilding on the 60-acre site at Reading which Slough Estates bought when paying £3.2m. for Suttons Seeds in June. So a start to the projected 750,000 square feet warehouse programme on the 43 acres of the site to be redeveloped will be made next year when the seeds business (in which Slough has no financial interest) completes its move to Torquay.

This was one of the biggest industrial land deals for years and Slough had been negotiating for the site a long time. What underpins the deal is the 35-year lease taken on the offices of the Suttons headquarters buildings, which, with some warehousing amounts to around 150,000 square feet. This is already taken by Sir Alexander Gibb and Partners.

The consulting engineers had been trying to move out of London and a decision to go to Reading was partly based on access to Heathrow, with most of their work on dams, airports, roads and the like being abroad. The partnership had an ODP which was intended for a 71,000 square feet Central and District development in Kings Road, Reading, but this scheme has not gone ahead and the engineers are at present scattered around the town. Some staff are already in the Suttons building and the rest hope to be under the one roof by this time next year.

But how fast Slough can develop its acres will be a stiff test of the warehousing market, even in this prime communications position. Chairman Nigel Mobbs reports a slightly better demand recently, a pattern Slough is seeing worldwide, with the Canadian and Australian companies doing better after a spell when in Australia the company went through its first ever quarter without a new letting.

But in the U.K. this has meant some cutting back, with new projects in Aberdeen and Hull the only ones started this year. That Finance For Industry £5m. loan was not earmarked for any specific U.K. industrial projects. The point of it, taken in conjunction with the £5¼m. Convertible Rights at 10½ per cent. was to provide a 10-year funding at an average rate of 12½ per cent. (FFI money does not come cheap, though cheaper than mortgage finance). The immediate effect is to cut Slough's short-term borrowings to practically nothing.

Where the company will see some fairly dramatic change by the year end is in its rent revenue. Having most of its rents tied to the Wholesale Price Index, a practice it began as far back as 1954, when rents were unfrozen earlier this year Slough's tenants found they had entered the freeze with the Index at 118 and emerged with it standing at nearly 180.

Mobbs says there have been remarkably few problem cases so far, despite the economic gloom. Where he admits things may change is in the rent review cycle. Previously, Slough has found on its seven-year reviews (they now adopt five-year ones) that the indexed rises each year have still left as much again to be added at review time to bring rents up to market levels. Over the next few years that 50 per cent. increase is doubtful.

On the commercial front, though it scarcely entered this new field at the right moment with its Gauntlet subsidiary, Slough says it is likely to have a continuing interest. It may not, however, adopt the set investment policy it has adopted on the industrial estates (the only one it has ever sold is Greenford to MEPC). With the offices, Mobbs says Gauntlet would sell on if the prices were right.

How the Brussels lettings and possible sales prices work out will be one vital point, even though the commercial side is still a small part of the whole operation. But having 100,000 sq. ft. of Brussels office finishing now, and another block of 198,000 sq. ft. due for completion in the early second half of next year is not the happiest of positions.

Where Slough retains great confidence in its commercial side is in the Fountain Precinct, Sheffield, topped-out a few weeks back and due for completion by the end of next year (contractors Willett are running three months ahead of schedule). Slough reckons to ask for (through Eadon Lockwood and Riddle of Sheffield) and get something over £5 per square foot when the time comes.

The company's record is such that, despite the absence of strings attached to it and the surprise at the time that one of FFI's first loans should be to a propery group, the private sector's industry bank was right in thinking that Slough remains one of the best answers we have to providing industry with the quality of space it needs.

Some measure of its success, and the acceptability of industrial developers, may be seen in managing director Wallace Mackenzie's recent appointment to the Keyser Ullmann Board, while Mobbs has City ties already and looks destined to add a merchant bank chairmanship, at Charterhouse, to the Slough job.

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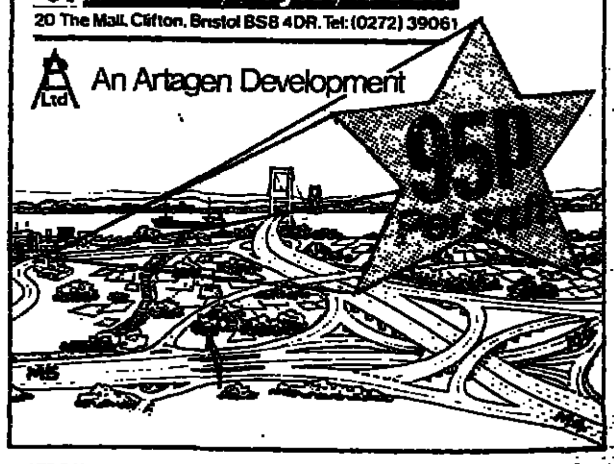

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RH

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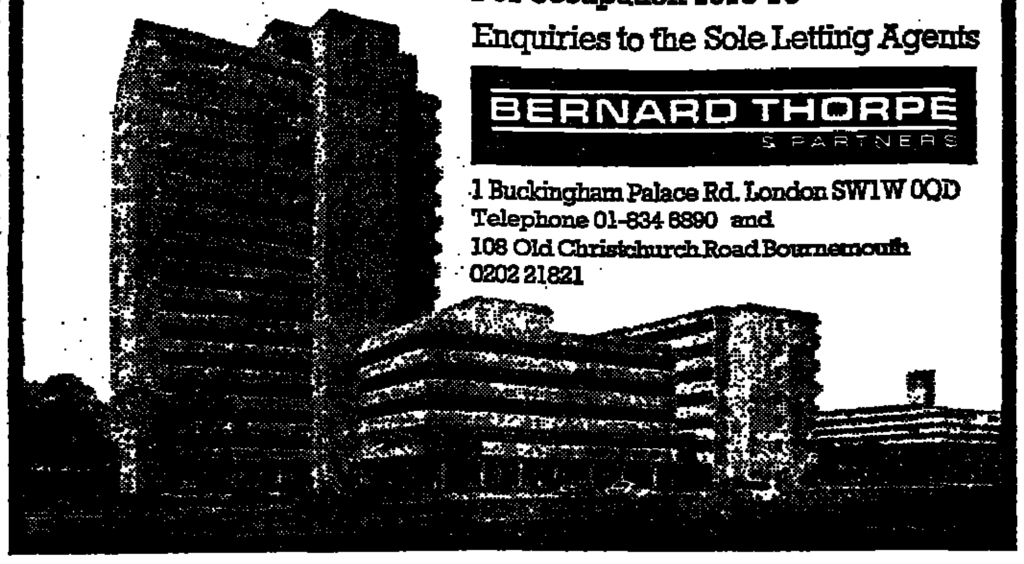

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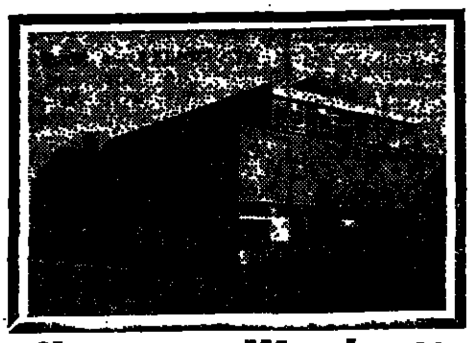

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SCOTLAND and North of England. For buying, selling or leasing, industrial or commercial property. Contact Malcolm Bigwell, 3, Norrieston Place, Thornhill, Stirling, Scotland. Phone 078-685 284.

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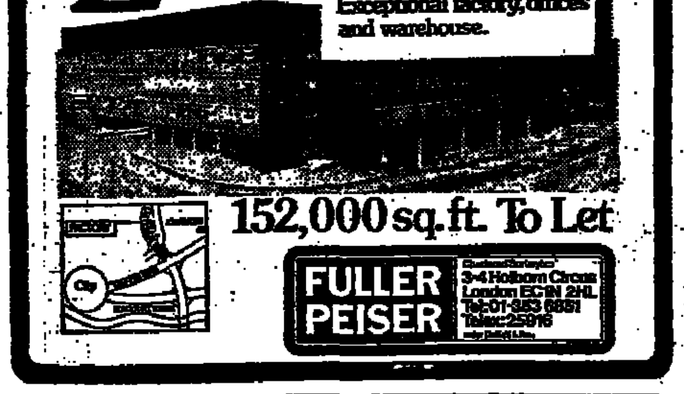

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THE MALTINGS SITE, WOMBOURNE, NR. WOLVERHAMPTON

The District Council propose to sell just over an acre of land situate the corner of Walk Lane and Gravel Hill, Wombourne, nr. Wolverhampton, Staffs. The site is in a prominent position near the centre of the village and is suitable for 2 or 3 storey development. Planning permission has been obtained for up to 50 units but the Council will require a development of particularly high quality on this fine site.

Developers or other persons interested in purchasing the site should apply for further details and should then submit offers in writing marked "The Maltings site, Wombourne," and stating whether or not the demolition of the existing Maltings Buildings is included in their tender, by not later than Friday, 28th November, 1975.

A. ROEBUCK
Chief Executive Officer and Clerk

Council Offices,
Codsall, Wolverhampton, ST19 5DS.

PUBLIC NOTICES

BOURNEMOUTH CORPORATION BILLS
Issued 5 November £900,000 Bills due 4 February, 1976 at 11¼%. Applications £6,800,000. Bills outstanding £900,000.

CITY OF BRADFORD METROPOLITAN COUNCIL
Bills amounting to £2,000,000 were issued on 5 November 1975 for maturity on 4 February 1976 at 11 27-64ths%. Applications totalled £16,500,000. Bills outstanding total £4,000,000.

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Premium positions available — rates on request. Write to: Classified Advertisement Department, Financial Times, 10, Cannon Street, EC4P 4BY.

WALL STREET + OVERSEAS MARKETS

Further rise after early losses

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Nov. 6.

EARLY LOSSES, following the biggest monthly rise in the Wholesale Price Index in a year, were more than regained on Wall Street to-day after new efforts to avert a New York City debt default.

After dipping 4.96 to 831.31, the Dow Jones Industrial Average finished at 840.92, making a further net rise of 4.65. The NYSE All Common Index gained another 21 cents to $47.34, while advances led declines by a seven-to-five majority. Trading volume further expanded 1.21m. shares to 18.6m.

The Municipal Assistance Corporation formed to avert New York City's financial collapse, was working on a plan to find $8bn. among potential lenders.

The early Stock Market decline reflected the Government report that U.S. Wholesale Prices surged at a 21.6 per cent. annual rate in October, up from a 7.2 per cent. rate in September.

Strength in uel-Related issues on a spreading belief that oil prices might be due for a decline helped the markets upward trend.

Among Fuel-Oriented issues, General Motors moved up $1¾ to $57¾, McDonald's $1 to $55¼, Marriott $⅝ to $14⅞, and UAL $¾ to $25⅞.

Phillips Petroleum were down $1⅛ to $46¾—a reduction in its North Sea production ordered by Norway would hurt its fourth quarter earnings.

USM were lifted $3¼ to $21⅜ and Embart were up $1 at $20⅞. Embart intends to proceed with its offer.

Cleveland-Cliffs Iron advanced $3½ to $96½ on a 2-for-1 stock split, a raised dividend and also an extra dividend.

Avon Products added $1 at $42⅞ on a quarterly dividend of 40 (37) cents a share.

But Revlon fell $1½ to $72¼ on plans for a secondary offering of 650,000 Common shares.

The American SE Market Value Index was up 0.19 to 83.23, although declines outnumbered advances by 290 to 271.

The most active issue, Dome Petroleum, put on $1½ to $34¾ on 62,200 shares.

Houston Oil and Minerals rose $⅞ to $30⅞ on higher earnings, while Sambo's Restaurants added $½ at $16⅞ at its annual cash dividend of 15 (10) cents a share.

Iraco Industries "B" dropped $3¾ to $8¾.

Seagrams added $1¼ at $27⅛ and Hudson's Bay Oil and Gas were up $1 to $35¼.

Dome Petroleum improved $1½ to $34¾ on higher earnings and major Beaufort Sea spending plans.

PARIS—Below the best in more active trading.

Peugeot rose Frs.1 to 710 in Motors. Metals and Oils were hesitant.

Americans, Golds and Coppers firmed, but other foreigners generally eased.

BRUSSELS — Slightly higher, but the volume was small.

U.K., U.S. and French issues improved. German issues were affected by profit-taking, while Gold Mines rose following the London bullion fixing.

AMSTERDAM — Generally weaker in quiet trading in line, although some foreign demand, notably German, occurred late in the session.

Dutch internationals fell, with Hoogovens off Fls.1.5 at 51.5. Royal Dutch eased Fls.0.4 to 94.2 on lower third-quarter profit. Philips firmed Fls.0.2 to 25.8.

CSM rose strongly against the general trend on hopes of higher earnings.

Insurances were very steady.

State Loans firmed.

GERMANY — Generally lower following the higher German unemployment figures, which discouraged buyers and encouraged profit-taking.

Banks, "major" Chemicals, Electricals and Metals lost up to DM.3, although AEG put on DM.1.10 to 86.8.

Stores and "smaller" Chemicals fell back markedly. Karstadt were down DM.6 at 440, Kaufhof DM.4.50 at 274.5, and Schering DM.5 at 386. Demag lost DM.4 at 187, Preussag shed DM.1.5 at 135.5—it is ending its aluminium activities in Germany.

Public Loans were very quiet, with prices mixed and negligible Official intervention. Mark Foreign Loans were well maintained.

OSLO—Banking shares were steady, Industrials and Insurances quiet, while Shippings were slightly irregular.

VIENNA — Firm on buying support.

COPENHAGEN — Generally lower in active dealing.

MILAN — Generally slightly lower in slack trading.

Bonds were quietly resistant.

SWITZERLAND — Generally firmer in moderately active dealings, although profit-taking reduced initial gains.

Interest centred on leading banks, with Bankgesellschaft and *Kreditanstalt each sharply higher.*

Financials were narrowly irregular. Juvena Bearer eased on its earnings decline and dividend omission forecast.

Insurances were very steady.

State Bonds edged slightly higher.

Dollar stocks firmed in fairly active trading, Dutch Internationals were barely steady, while Germans were irregularly lower.

HONG KONG—Mixed in decreased trading.

Hong Kong Bank moved up 20 cents to $HK16.40 and Hong Kong Land 5 cents to $HK6.25.

TOKYO—Market fell sharply, with "large-capital" issues leading the decline. Volume 130m. (150m.).

Shipbuildings, Steels and Heavy Machineries were sold on technical factors, with Hitachi Shipbuilding losing Y9 to 115, Toshiba Y4 to 121 and Kawasaki Steel Y3 to 103.

AUSTRALIA — Most sectors higher on sustained buying.

Uraniums were in particular demand, although some stocks closed off their best.

Pancontinental were unchanged at $A7, after $A7.10, while Queensland Mines were up 10 cents at $A1.70. Peko-Wallsend were lifted 20 cents to $A4.30.

BHP put on 8 cents to $A6.82 and CSR regained 5 cents to $A3.98. Hooker advanced 6 cents to $A1.27.

Among Coals, Gollin firmed 1 cent to 24 cents but Utah eased 4 cents to $A9.34.

JOHANNESBURG—Gold shares moved ahead over a broad front as the rise in the gold price created renewed interest, spilling over into Financials and Industrials.

New gold listing Elandsrand closed at R440 after opening at R425.

Coppers were marginally firmer and Platinums gained up to 15 cents. Other Metals were harder.

Industrials were generally firmer.

OTHER MARKETS

Canada still rising

Canadian Stock Markets further improved in light trading yesterday.

The Utilities Share Index rose 0.75 to 122.88, Banks 1.12 to 252.27, Industrials 1.14 to 170.12, Base Metals 0.09 to 72.32 and Western Oils 2.50 to 196.63. But Papers lost 0.33 to 95.92 and Golds eased 0.09 to 279.01.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
Nov. 6	68.57	169.58	840.92	82.39	18,600
5	68.60	168.18	836.27	82.66	17,390
4	68.56	167.61	830.13	82.44	11,670
3	68.67	166.26	825.72	82.31	11,400
Oct. 31	68.68	166.38	836.04	82.63	12,910
30	68.53	166.67	839.42	81.96	15,080
29	68.46	165.25	838.63	82.02	16,110
28	68.51	166.54	851.46	82.66	17,060
27	68.35	166.75	838.48	82.44	15,100
24	68.34	166.58	840.52	82.47	13,120
23	68.57	168.18	866.16	82.39	17,900
22	68.34	167.31	849.67	82.73	16,060
21	68.16	166.02	846.82	82.89	20,800
20	68.14	166.71	842.25	82.12	15,250
17	67.98	164.86	832.18	82.31	15,650
16	68.09	165.52	837.25	82.31	18,910
15	68.05	166.38	837.22	81.86	14,440
1975 High	69.92 (4/4)	174.12 (5/5)	881.81 (15/7)	87.07 (24/6)	—
Low	66.16 (5/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	165.32 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds

IND. DIVIDEND YIELD p.c.

Oct. 31	Oct. 24	Nov. 1 1974
4.59	4.56	5.71

N.Y. SE ALL COMMON INDEX

December 31, 1965 = 50.

1975 High	1975 Low	Nov. 6	Nov. 5	Nov. 4	Nov. 3	Oct. 31
51.24 (15/7)	37.06 (2/1)	47.34	47.13	46.78	46.56	47.05

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,817	798	572	447

	Nov. 6	Nov. 5	Nov. 4	Nov. 3	Oct. 31
New Highs	67	53	20	16	26
" Lows	18	18	19	34	31

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	Nov. 6	Nov. 5	Nov. 4	Nov. 3	Oct. 31
86.80 (15/7)	62.20 (2/1)	83.23	83.04	82.69	82.66	82.79
Volume (000's)		1,620	1,660	1,290	1,260	1,580

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Nov. 6	100.32	89.55
" 5	99.96	89.15
" 4	99.11	88.51
" 3	98.61	88.09
Oct. 31	99.74	89.04
" 30	100.09	89.31
" 29	100.19	89.39
" 28	101.47	90.51
1975 High	107.40 (15/7)	95.91 (15/7)
1975 Low	77.71 (8/1)	70.74 (8/1)

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Nov. 5 1975	Oct. 29 1975	Nov. 6 1974
Ind. Ord. yield pc	3.78	3.79	4.32
Ind. Ord. p/e ratio	11.76	11.80	5.64
Long-term Govt. Bds. per cent.	6.06	6.09	6.66

THURSDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Texaco	256,300	23⅛	−⅛
General Motors	179,300	57⅞	+1¾
Howard Johnson	168,300	15	—
Occidental Petrlm.	145,500	14	+⅛
Tex. East T.	143,300	27⅞	−1½

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Nov. 6	Oct. 30	Oct. 23
On Dividends	6.59	6.50	6.47
On Earnings	11.01	10.77	10.68

SYDNEY ALL ORD. INDEX

Nov. 6	Nov. 5	High 1975	Low 1975
400.72	397.98	422.40 (14/10)	285.88 (8/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Nov. 6	Nov. 5	High 1975	Low 1975
313.08	314.27	333.11 (2/7)	268.24 (10/1)

HONG KONG INDEX *

Nov. 6	Nov. 5	High 1975	Low 1975
312.68	311.60	341.57 (9/6)	160.42 (8/1)

SINGAPORE INDEX §

Nov. 6	Nov. 5	High 1975	Low 1975
230.48	230.35	268.69 (11/3)	153.26 (8/1)

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—(106¼%) (105¼%)

+ FOREIGN EXCHANGES

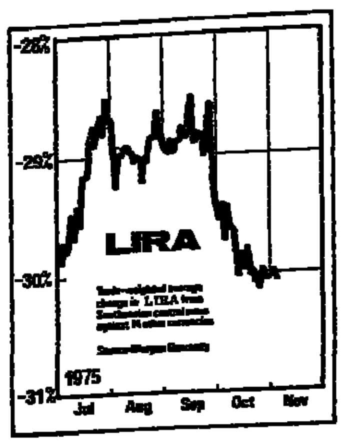
Dollar easier

The U.S. dollar lost ground in the foreign exchange market yesterday, following publication of the U.S. wholesale prices index showing a 1.8 per cent. increase during October. There was further evidence of support for the dollar by the West German authorities and the Bundesbank was reported to have purchased $10.8m. The Morgan Guaranty calculation for the dollar's trade-weighted average depreciation since the Washington Currency Agreement, on noon rates in New York, widened to 2.78 per cent. from 2.66 per cent.

Sterling improved against the U.S. dollar, but showed little change against major currencies in general. The pound's trade-weighted average depreciation since the Washington Agreement, as calculated by the Bank of England, was unchanged at 29.3 per cent., after standing at 29.2 per cent. at noon and in early dealings.

Sterling began at $2.0615-$2.0625, which was its lowest level of the day, and then improved to $2.0645-$2.0655. The highest level reached was $2.0795-$2.0805, and the pound closed at $2.0685-$2.0695, a gain of 45 points on the day. Forward sterling reflected a slightly easier trend in Euro-dollar rates and the discount on the three-month pound narrowed to 2.50 cent premium, from 2.62 cent premium.

Gold closed unchanged at $145¾-$146¾ in fairly active trading. The metal improved during the morning, but eased in the afternoon, as a result of profit-taking, following the firmer trend of the past few days. The krugerrand finished at $149½-$151½ (£72¼-£73¼) in the domestic market, compared with $149¾-$151¾ (£72½-£73½) previously. The coin's premium over its gold content, narrowed to 2.90 per cent. from 3.08 per cent., for domestic delivery, but widened to 3.25 per cent., from 2.90 per cent. in international dealings.



SPECIAL DRAWING RIGHT RATES

One SDR is equal to:	Nov. 6	Nov. 5
Sterling	0.572521	0.572678
U.S. dollar	1.18197	1.18298
Belgian franc	45.8811	45.8286
Deutsche mark	3.04038	3.03730
French franc	5.18486	5.17702
Italian lira	799.071	799.192
Japanese yen	356.600	357.201
Dutch guilder	3.12276	3.12011
Swedish krone	5.17230	5.16903

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Nov. 6	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't.	—	2.567-569	58.55-65	6.62-63	5.302-307	97.30-45	97.25-35
N. York	39.04-07	—	22.91-93	2.580-585	2.0687-0697	38.01-04	38.00-03
Paris	170.38-76	4.5817-5915		11.281-3155	9.05-075	166.05-45	166.05-45
Brussels	15.06-11	38.79-82	8.83-88	—	80.06-15	14.67-70	14.67-70
London	5.29½-30½	2.0685-95	9.01½-2½	79.90-80.10	—	5.44-45	5.43½-44½
Am'erdam	102.705-755	2.6407-52	60.215-266	6.8035-56	5.4625-75	—	99.925-975
Zurich	102.65-85	2.6310-35	60.23-54	6.30-81	5.436-445	99.96-06	—

U.S. $ in Montreal. U.S. $=101.56-57 Canadian cents.
Canadian $ in New York. $C=98.47-49 U.S. cents. U.S. $ in Milan 676.10
Sterling in Milan 1396.80.

EURO-CURRENCY INTEREST RATES*

Nov. 6 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	11¼-11⅝	5⅞-6	7-8	5½-5¾	5¼-5½	1½-1⅞
7 days notice	11-11½	5⅝-6⅛	7½-8½	5½-5¾	5¼-5½	1⅛-1⅞
Month	11-11½	5⅝-6⅛	8³⁄₁₆-8⁷⁄₁₆	5¼-5½	5⅛-5⅝	1¼-1⅝
Three months	11⅝-11⅞	6⅝-6⅞	8⅛-8⅜	5¼-5½	4¹⁄₁₆-4⁵⁄₁₆	3-3⅛
Six months	11¾-12¼	7⅛-7⅝	8¼-8⅝	5⅜-5⅝	4⅛-4⅜	3⅝-3⅞
One year	12⅛-12⅝	7¾-8¼	9⅜-9⅝	5⅞-6⅛	5⅜-5⅝	4⅛-4⅜

Euro-French deposit rates short-term 6¼-6¾ per cent.; seven days' notice 6½-6¾ per cent.; one month 6¾-7 per cent.; three months 7-7½ per cent.; six months 7½-8 per cent.; one year 8½-8¾ per cent.

Longer-term Eurodollar deposit: two years 8⅜-8⅝ per cent.; three years 9-9¼ per cent.; four years 9¼-9½ per cent.; five years 9½-9¾ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 5¾-6 per cent.; three months 6⁹⁄₁₆-6¹¹⁄₁₆ per cent.; six months 7³⁄₁₆-7⁵⁄₁₆ per cent.; one year 7½-7¾ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars, and two days' notice for guilders and Swiss francs.

FARMING AND RAW MATERIALS

EEC-Egypt food deal approved

By Robin Reeves

BRUSSELS, Nov. 6.

THE EEC Council of Ministers late last night gave the go-ahead to the Commission's controversial plan for tying up a long-term food export contract with Egypt.

The contract is for 1m. tonnes of wheat, 75,000 tonnes of sugar, 1,000 tons of beef, 10,000 tonnes of skim milk powder, 3,000 tonnes of cheese and 5,000 tonnes of skim based calf feed.

Foreign Ministers of the Nine gave their approval only after closely questioning Mr. Pierre Lardinois, the EEC Commissioner for agriculture, on points of detail and subjecting the deal to certain conditions.

The principal change they insisted upon was that the deal should be initially for one year only, instead of the two to three years, depending on product, originally planned.

The exception is sugar which will still be for three years. But Mr. Lardinois assured Ministers that no EEC export subsidy would be involved. The wheat commitment also remains 1m. tonnes a year over the next three years but the price will be negotiated annually.

Mr. Lardinois also undertook to inform other world food exporters about the deal and reiterated that the business involved would be handled through normal commercial channels.

The Commission's original proposal ran into considerable opposition from West Germany and the U.K. on the grounds that it might involve costly export subsidies and encourage continued surplus food production in the EEC.

The net result is that the EEC is really now committed to a one year "long-term contract" with Egypt and having to shelve its plans for similar contracts with other countries in the Middle East and Mediterranean basin.

TIN PRICES MOVE AHEAD

By John Edwards

TIN PRICES moved up again on the London Metal Exchange yesterday, encouraged by the announcement that the International Tin Council had been authorised to seek an additional standby credit of about £20m. to boost the resources of the buffer stock.

A rise in the Straits tin price in Penang over-night, up by M$7.375 to over $M946 a picul brought a firm start in London and the upward trend was also bolstered by "borrowing" of cash tin (that is buying cash and selling an equivalent amount forward), believed to be on behalf of the buffer stock.

New EEC row brewing over NZ dairy access

BY ROBIN REEVES

BRUSSELS, Nov. 6.

COMMON MARKET officials are now expecting Britain to take a tough line over the quantity and price of continued preferential access for New Zealand dairy products at next week's meeting of the Common Market Council of Agricultural Ministers in Brussels.

To-day it emerged that besides recommending a rise of only 18 per cent. in New Zealand's "take home" pay from its sales of butter and cheese on the U.K. market from January 1 next year, the Commission has also suggested, informally, reducing by 9,000 tons the quantity of New Zealand butter which should be allowed preferential access in the three years 1978-80.

Continued access for New Zealand butter and cheese at a price, among other things, related to the prices paid to the Community producers was one of the "renegotiation" commitments secured by Mr. Wilson at the Common Market Summit in Dublin in March.

However, with increasing concern at the likely contraction of consumption of dairy products in the U.K. as prices rise to the full EEC level over the next two years or so, other Community dairy producing countries, led by France, are now voicing dissatisfaction at an arrangement which reserves an important part of the U.K. dairy market for a non-EEC producer. Hence, the Commission's reduced quantity suggestion.

In order to counteract this pressure, nobody here will be surprised if Mr. Fred Peart, the U.K. Minister of Agriculture, next week argues that the Community is being unnecessarily mean on the price and that it should agree to at least a 25 per cent. rise.

Creamed off

The difference between U.K. sales prices of New Zealand butter and cheese and the New Zealand take-home pay is being creamed off in the form of EEC import levies. The margin is such that NZ dairy producers could gain up to 50 per cent. more without affecting prices in U.K. shops. Recently, the NZ Dairy Board called for at least a 32 per cent. rise as equitable.

On quantity, Mr. Peart told his fellow Agricultural Ministers in Luxembourg last month that Britain thought the quantity should be fixed at 121,000 tonnes over the three years 1978-80, rather than a digressive arrangement starting at 129,000 tonnes in 1978 and falling to 113,000 tonnes in 1980. Other Ministers, however, left him in no doubt that they considered this too generous. Moreover, the small print of the Dublin agreement, which says that quantity should also take account of the development of the market, was also pointed out by some Ministers.

The chances are that next week's meeting will end up with no agreement, not least because other EEC members have no interest in committing themselves at this stage.

For this reason, it is already being suggested that given Mr. Wilson's abiding interest in New Zealand, the issue may even end up at the European "Summit" in Rome at the beginning of December.

Swedish saw mills pick up

BY WILLIAM DULLFORCE

STOCKHOLM, Nov. 6.

SWEDISH SAW MILLS have passed the trough of the recession and can expect a slow recovery next year, according to Mr. Lars Strangh, managing director of the Swedish Saw Mills and Timber Exporters' Association, but they will not see a return to full capacity before 1977.

Following the complete halt to timber and sawn goods exports in May, 1974, production dropped from 13.5m. cubic metres in 1973 to 9.5m. cubic metres this year. New orders have started to come in and European importers are expected to increase purchases by some 3m. cubic metres next year, although as mill stocks are high these orders will have little immediate effect on output.

Prices, which fell by 30 per cent. or more from the early 1974 level, have been firming up. Mr. Strangh calculates that some 10 per cent. of the price decline has been recovered in recent weeks and anticipates further improvement. Finnish exporters are reported to have obtained steadily rising prices on sales made over the last five weeks.

A further upwards pressure on prices stems from the current reluctance among forest owners to cut more timber. A recent survey in southern and eastern Sweden showed that timber markings for fellings are only 20 per cent. of the level reached at this time last year, and the mills are worried that the shortage of raw material could make even a repetition of this year's 9.5m. cubic metre production difficult to achieve in 1976.

The Swedish exporters are also watching the movement of Canadian timber exports. In 1973 and 1974 Canada was the only country to increase its share of the European market but with the economic recovery in the U.S. it is possible that the Canadians will return to their traditional market.

There have been no new orders from Britain which in normal years takes some 30 per cent. of Swedish timber exports. But British importers, who are known to have run down stocks, are believed to be waiting for the Russians to come onto the market.

Turkish cotton crop falls

BY OUR OWN CORRESPONDENT

ANKARA, Nov. 6.

TURKEY'S 1975 cotton crop was to-day officially estimated at 483,000 tonnes, 20 per cent. less than last year, when production totalled 598,000 tonnes.

The estimate was announced by the National Cotton Consultative Committee, which met here to-day. The committee, consisting of Government officials, cotton producers and professors, is the most competent authority on Turkish cotton production.

It said that the crop declined this year because of pests in the Far Eastern cotton regions and some growers turned to other crops because of declining world cotton prices.

The committee also predicted a further drop for next year. It said that about 665,000 hectares would be planted with cotton but output would be about 440,000 tonnes, 9 per cent. below this year's output.

Productivity per hectare was 727 kilogrammes this year, compared with 714 last year.

Sharp dip in cocoa values

By Richard Mooney

A DISTINCT easing in the nearby cocoa supply situation yesterday sparked a sharp fall in futures values. Prices moved close to limit down in the morning session before recovering slightly but moved still lower in the afternoon. The March position ended the day £23 lower at £641.75 a tonne.

Dealers attributed the fall chiefly to the easier availability of supplies from Nigeria, the Ivory Coast and South America.

The slow movement of Nigerian cocoa, due mainly to port congestion in Lagos, had been one of the major influences in the steady rise in futures prices over the past few months. But the recent decision to allot a special berth at Lagos for cocoa shipments seems to have had a significant effect on the situation and supplies are now reported to be moving through much more smoothly allowing exporters to catch up with their backlogs.

Brazilian cocoa is apparently still arriving in large quantities despite the Coffee Institute's recent decision to suspend sales to avoid an over-sold situation building up.

Many dealers had suspected that the London market was in danger of becoming seriously over-bought and the first signs of trade profit-taking quickly developed into a snow-ball effect with commission house and chartist selling accelerating the decline.

Russians buy more maize from U.S.

WASHINGTON, Nov 6.

COOK INDUSTRIES of Memphis has sold a further 1.1m. tonnes of U.S. maize to the Soviet Union.

The sale boosts the total amount of U.S. corn sold to the Soviet Union since the moratorium on further sales was lifted on October 20 to 2.7m. tonnes.

In lifting the moratorium, the U.S. notified the USSR it could buy up to an additional 7m. tonnes of wheat and maize from current season's supplies without further consultation.

A balance of 4.3m. tonnes remains to be bought before that ceiling is reached.

● The U.S. Agriculture Department has estimated China's wheat imports in the year ending mid-1976 at about 3m. tonnes—down 2.7m. tonnes on the year ending mid-1975.

Ploughing on with farm tradition

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

TAKING ADVANTAGE of the 100 per cent. depreciation allowance, I have, over the last two years, completely refurbished my mechanical equipment.

It wasn't before time. The squeeze on margins in grain growing which endured throughout the 1960s had made any replacement out of profits impossible, and in that situation I was not prepared to borrow money. Instead I hired tractors and combines and used my capital and borrowings to increase my livestock enterprise of sheep and pigs.

Anyway, I now have enough machinery to see me through the next four or five years, during which time I hope that margins will be such as to enable me to replace it, or that methods of farming may change sufficiently to make such investment unnecessary. There are strong possibilities that in this latter respect I may be lucky. Apart from combine harvesters, which most British farmers change far more often than is really necessary, my main investment has been in tractor power and the heavy ploughs and tools to be used by it.

My biggest tractor is 110 h.p. and it will plough or cultivate in a day about 50 per cent more than one of the two 80-h.p. tractors its replaced. It uses a great deal less fuel per acre and tyre wear is less as well. I think I need such a big machine because, being a traditionalist (I started my farming with a horse team), I cannot conceive of a system that does away with the need for cultivations.

So I have treated with considerable scepticism the claims of various chemical companies that their products will obviate the need for any sort of cultivation. All that will be necessary, according to the adverts, is to spray the stubble and then, after a suitable interval for the death and disintegration of the weeds, the next crop can be planted in the top soil without the need for expensive cultivations.

I have tried a selection of these sprays, and while I have found them useful and still go on using them, they have only eased but not obviated the necessity for ploughing and heavy cultivations.

The basic reason for this failure is that none of them up till now have killed all the weeds. My experience is that if a chemical kills the weeds which it is designed to do, those varieties which are not affected will flourish all the more because the competition has been removed.

A classic example of this has been paraquat which will kill grass and some grass weeds, but will not affect the most pernicious grass weed of all, which is couch or twitch. When this chemical was first on the market many thought it would be the answer to all problems. All the farmer would have to do would be to harvest, spray, burn the straw and stubbles and then drill again for next year's crop.

Chemical

It hasn't worked out because couch simply took over. Also in the crops I have grown under this system, plant establishment has not, in the main, been as good as those traditionally sown.

This, I believe, is because there is a world of difference between a proper seed bed, the result of several cultivations, and direct planting in what is in effect a groove drawn through the soil. If the soil has been set hard through excessive rain or drought it stands to reason that root development will be inhibited.

It now looks as though both these problems are going to be solved in the fairly near future. For the first time this year I have been able to secure a supply of a new chemical called "Round Up." This, used on the most couch-infested field I have, has killed the weed right out, together with the other grasses. I had it ploughed last week and all I could find were the dead roots of the couch which no other chemical has managed to touch.

The cost of this treatment is high, over £12 an acre, but to get the same result by traditional means would have needed the best part of that sum spent on cultivations. Was the single ploughing needed? It certainly improved the look of the field, and buried a lot of stubble and dead rubbish. But I don't think it made any difference to the effectiveness of the chemical, and while it will certainly make for a better seed bed next spring it may be delaying the logical development of the new technique.

It should be possible to mulch the crop remnants into the top soil year after year with very light cultivations instead of ploughing them six or eight inches underground, where, incidentally, they consume fertility during their absorption into the soil.

This process, which is known to gardeners and most farmers, is fairly long term. The amounts to be incorporated are small, and it would take two or three seasons before it mellowed the texture of the top soil sufficiently to enable it to form a seed bed for a direct drilling or planting technique.

I think the main reason why these methods have not succeeded, either with paraquat or other chemicals, has been because farmers have not, up till now, been perpared to risk giving the system a long enough trial before they reverted to traditional systems.

But now it is possible that the availability of these chemicals and the increasings costs of mechanised cultivations will bring the change to ploughless farming within the fairly near future. It is not yet time to beat our plough shares into crop sprayers. Cultivations will still be needed for crops like beet and potatoes. But the change may well come before I have to renew my heavy tackle once more.

Use of Britain's grassland criticised

NEARLY TWO-THIRDS of Britain's grassland is inferior in quality and yield, Professor Derek Ivens, head of Nottingham University School of Agriculture, told a hay drying conference at Stoneleigh, Warwickshire, yesterday.

Lowland grass and rough grazing covered about three-quarters of the country's agricultural land, he said.

"The supreme economic importance of this natural resource is probably exceeded only by that of our mines or North Sea oil and gas. Furthermore, we are not using up our grass. It will be there for future generations," he added.

Extra output could be produced from the same acreage if the less valuable species were replaced by Italian or perennial rye grass, which could yield up to 40 per cent. more than the present inferior species.

Traditional methods of hay making, by far the most common way of conserving grass for winter feed, were the most wasteful, Prof. Ivens said.

"Haydrying reduces these problems. We can cut earlier, getting a more lucrative product, and we don't have the problem of getting rid of the moisture in the field in tricky weather."

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Gained further ground on the London Metal Exchange. Prices were initially firmer, reflecting the closing tone of the U.S. market overnight with forward metal trading at £609. A modest reaction following trade selling took the price to £607, at which level it again turned higher owing to fresh buying from quarters which took it back up to £610. Following the uninspiring opening of Comex the price eased to £607 but then that market moved higher, forward metal responded here and ended at £610 in the afternoon Kerb, helped by short-covering. Turnover 17,350 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	584.5-5	+3	587.5-8	+6.5
3 months	605-.5	+3	608.5-9	+8
Settlem'nt	585	+3	—	......
Cathodes				
Cash	571-2	+4	573-4	+6
3 months	592-3	+4	594.5-5	+6
Settlem'nt	572	+4	—	......
U.S. Smt.	—	......	*63-65.7	......

Amalgamated Metal Group reported that in the morning cash wirebars traded at £584.50, three months £608 to 05, 05.50, 06. Cathodes: cash £571, 71.50, three months £592.50. Kerbs: Wirebars: three months £607 to 08.50. Afternoon: Wirebars: cash £588, early Feb. £608, three months £607.50, 08, 07.50, 07, 07.50, 08, 08.50. Kerbs: Wirebars: cash £588.50, three months £609.50 to 10.

TIN—Firmer again. Further consideration of the authorisation of the ITC to arrange further stand-by credit to increase the buying power of the buffer stock manager and the recovery in Penang overnight combined to push prices upwards. Borrowing of cash metal was thought to have been on behalf of the buffer stock manager. Forward metal touched £3,105 before ending at £3,095 on the afternoon Kerb. Turnover 1,475 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3055-8	+34.5	3045-50	+12.5
3 months	3100-5	+37.5	3095-7	+10
S'ment	3058	+35	—	......
Standard				
Cash	3055-8	+34.5	3045-50	+12.5
3 months	3100-5	+37.5	3095-7	+10
S'ment	3058	+35		......
Straits E.	$946½	+7½		......
New York			296-331	......

Morning: Standard: cash £3,060, 70, 60, 55, 58, three months £3,100, 05, 03. Kerbs: Standard: three months £3,100. Afternoon: Standard: cash £3,050, early Dec. £3,075, three months £3,095, 93, 90, 92, 88, 94, 95. Kerbs: Standard: cash £3,050, three months £3,100. High Grade untraded.

LEAD—Profit-taking in a market lacking any worthwhile outside demand lowered prices in quiet trading. Turnover 3,225 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	168-.25	+.75	167.5-8	—1
3 months	176.25	+1.25	176.5-.75	—.5
S'ment	168.25	+.75	—	......
N.Y. Spot	—	......	19-22¾	......

Morning: cash £168, three months £177, 76.75, 76.50, 76.25, 76, 76.25. Kerb: three months £176.50, 76.25. Afternoon: three months £176, 75.50. Kerb: three months £175.50.

ZINC—Easier. Prices drifted owing to profit-taking following the recent advance, but the decline was limited by influential buying of cash metal which was thought in some quarters to have been on producer account. Turnover 6,025 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	550-.5	—2	550.75-1	—.875

COMPANY NOTICES

BRITISH-BORNEO PETROLEUM SYNDICATE LIMITED

NOTICE IS HEREBY GIVEN that the

UNREAD LIMITED

NOTICE IS HEREBY GIVEN that the Share TRANSFER BOOKS of the Company will be CLOSED from Wednesday 19th

JUTE

DUNDEE—Quiet. No offers received from Bangladesh. Calcutta goods quieter. Quotations c. and f. U.K. for Nov. shipment: 10-oz. 40-inch £7.01, 7½-oz. £5.28 per 100 yards. Dec. £7.14, £5.39. Jan.-March £7.21, £5.52. "B" twills £22.28 for all the above shipment periods. Yarn and cloth very quiet.

PRICE CHANGES

Prices per ton unless otherwise stated.

	Nov. 6 1975	+ or —	Month ago
Metals			
Aluminium	£396		£396
Free Market cif	£385-520		£350-340

U.S. Markets

New rally in silver, gold easier

NEW YORK, Nov. 6.

PRECIOUS metals again exhibited a mixed tone as local short-covering rallied silver, while reports of a change in attitude by the U.S. toward IMF gold sales prompted speculative liquidation in gold. Grain futures generally closed lower on commercial hedge selling, while aggressive speculative liquidation drove cocoa to limit declines. Copper and sugar, however, rallied on general commission house support, Bache reports.

Cocoa—Ghana spot 72 nom. (74 nom.), Bahia spot 63½ nom. (65½). Dec. 60.80 (62.50), March 56.95 (58.95), May 54.60, July 52.90, Sept. 51.60, Dec. 49.90, March 49.25. Sales: 1,303.

Coffee—Spot Santos No. 4 unquoted (same). Colombian Mams unquoted (same). "C" Contract: Nov. 78.90-77.00 (77.00), Dec. 77.35-77.40 (77.65), March 77.00-76.75, May 77.30-77.40, July 77.90-78.10, Sept. 78.40 nom. Sales: 364.

Copper—Nov. 56.60 (56.30), Dec. 57.00 (56.70), Jan. 57.00, March 58.70, May 59.80, July 60.90, Sept. 61.90, Dec. 63.50. Sales: 2,497.

Cotton—Dec. 52.12-52.22 (52.02), March 53.65 (53.53), May 54.56, July 54.91-55.00, Oct. 55.00-55.10, Dec. 55.10-55.15, March 55.40-55.50. Sales: 2,550.

†Gold—Nov. 145.50 (147.00), Dec. 146.00 (148.40), Jan. 146.60, Feb. 147.70, April 149.60, June 151.50, Aug. 153.40, Oct. 155.30, Dec. 157.20, Feb. 159.10. Sales: 1,312 lots.

STOCK EXCHANGE REPORT

Another good day in markets and share index closes 5.2 higher at a new peak for the year of 366.0

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Oct. 20	Oct. 30	Oct. 31	Nov. 11
Nov. 3	Nov. 13	Nov. 14	Nov. 25
Nov. 17	Nov. 27	Nov. 28	Dec. 9

* " New time " dealings may take place from 9.30 a.m. two business days earlier.

A lively day's trading in equity markets saw leading Industrials push further ahead yesterday to close at their highest in index terms for just under two years. Encouraged by the Government's new approach to industrial strategy and by the CBI's slightly more optimistic review of the economic outlook, the leaders encountered some further good buying. Profit-taking in the latter dealings left prices below the day's best, but closing gains were still fairly substantial. The FT 30-share index, which touched its highest of the day at 1 p.m. with a rise of 7.6, closed 5.2 higher on balance at a new peak for the year of 366.0.

Gilts took a turn for the better, sentiment being helped by hopes of a further easing in U.S. interest rates. As with the equity leaders, closing quotations were a little below the best, but still ranged to ½. The Government Securities index gained 0.19 to 58.24.

Once again, second-line issues were well in the picture. The overall improvement was reflected in a 5-1 majority of rises over falls in FT-quoted Industrials and a fresh gain of 1.1 per cent. to 156.41 in the FT-Actuaries All-Share index. Official markings of 8,636 were the highest since May 21 last.

Gilts revive

A more confident tone in Gilt-edged was backed by a revived and, on occasions, impressive demand for all maturities. Speculation about pending new "tap" stocks grew considerably and the special Treasury 9 per cent., 1978, "B" stock was thought to be near exhaustion, while the Government broker raised his price for supplies of the near/medium "tap," Treasury 11¼ per cent., 1981, to 96½. The announcement of a new short "tap", either high or low-coupon, was considered imminent and some quarters ventured the possibility of an ultra-long "tap" stock being issued, too. Mr. Healey's reiteration of no short-term Government spending cuts while unemployment remains high pared the rises by ¼ late, but the longs still closed ¼ up in places along with some shorter maturities.

The investment currency premium became volatile as turnover expanded, trading within 103 and 106½ per cent. before closing nearly a point higher on the day at 106½ per cent.: much of the business was released by non-resident activities in Gold shares. Yesterday's SE conversion factor was 0.6148 (0.6101).

Nat. Bk. Aust. good

National Bank of Australasia stood out in Overseas Banks, rising 17 to 287p in response to the good preliminary profits and the "rights" issue proposal. Commercial Bank of Australia firmed 10 to 260p in sympathy. Considering the firm performance of the market elsewhere, the big four Banks gave a disappointing display. During the course of a small turnover, prices edged forward a few pence at the outset but then fell away as the day progressed to close at, or slightly below, the overnight levels. Improvements of 5 and 10 respectively were seen in Bank of Scotland, 280p, and Bank of Ireland, 360p. Discounts closed quietly firm with Gerrard and National 10 to the good at 290p. Still drawing strength from a subsidiary's acquisition, Hill Samuel edged forward 2 more to a 1975 high of 113p in Merchant Banks.

Insurances closed with gains that ranged to 6. "Royals" were that much better at 316p, helped by a broker's circular.

Breweries attracted a reasonable turnover and generally closed firmer for choice. Whitbread "A," however, softened a penny more to 69½p on further consideration of the first-half figures.

Elsewhere, Distillers added 2 to 126p, after 127p, but profit-taking after the recent speculative rise left Tomatin 3 easier at 63p.

Buildings shrugged aside a gloomy forecast of the industry's prospects next year and closed better where changed. Tunnel "B", a dull market of late on the West Thurrock closure, rallied 6 more to 171p. Taylor Woodrow moved up 6 to 304p, while AP Cement, 192p, and Travis and Arnold, 94p, put on 4 apiece. Beaver Group, at 58p, recouped 4 of the previous day's fall of 6 which followed acquisition news, while the chairman's remarks at the annual meeting helped Burns Anderson, 2 harder at 19p. Timbers were in good form, James Latham rising 10 to 150p, and May and Hassell 6 higher at 74p.

ICI typified market conditions, reaching a 1975 peak of 304p before closing 2 better on balance at 302p.

HTV featured Television Contractors with a rise of 6 to 53p, while Trident "A," 27p, and Anglia "A," 94p, both closed 4 better.

Burton active

Publicity given to the company's reorganisation plans directed attention to Burton which closed 5 better at 65p following a good business. Other Stores gave up earlier gains and closed little changed. Debenhams finished 2 harder at 83p, after 85p, while the nil-paid shares ended a penny firmer at 28p premium, after 29p, following an active two-way trade. Mothercare were finally 2 up at 172p, after 175p, while Allied Retailers, 91p, and Audiotronics, 41p, put on 4 apiece. Raybeck also attracted interest, the Ordinary closing 3 better at 38p and the nil-paid shares finishing 2 better at 28p premium. Cope Sportswear were raised 4 to 25p, but small persistent selling left John Stephen 2 easier at 6p, after 5p.

Electrical leaders moved into higher ground on meeting fresh demand, but generally ended below the day's best. Thorn Electrical were finally 6 firmer at 216p, after 218p, while net improvements of 3 were registered in GEC, 138p, and 140p, BICC, 128p, and Reyrolle Parsons, 74p. Elsewhere, Comet Radiovision closed 7 better at a 1975 high of 53p and Decca improved 6 to 240. Favourable Press comment helped Westinghouse Brake gain 2 at 34p, but the poor half-year results continued to depress Goldring, which receded 2 more to 12p. The Japanese Sony wilted 70 to 640p.

Leading Engineerings closed below the best with GKN 5 higher at 248p, after 251p, and Tube Investments 6 up at 284p, after 286p, but secondary issues often retained the day's highest levels. Fairey jumped 5 to 72p, Glynwed were similarly better at 91p and Martonair 3 dearer at 145p, the last mentioned on the increased profits and proposed scrip issue. Unconfirmed rumours of a cash injection from Babcock and Wilcox lifted Hopkinsons 5 to 54p, while gains of 4 were seen in WGI, 51p, Weir, 75p, Stothert and Pitt, 90p, and Green's Economiser, 71p. Press comment on the Birmid Qualcast preliminary figures brought a rise of 3½ to 58p, but confirmation that the Moore Holdings 27 per cent. stake had been placed, brought Beyer Peacock back ½ to 13p. Westland rose 3 to 57p.

Tate and Lyle featured Foods, rising 12 to 250p, sentiment being helped by the strength of the sugar price in the commodity markets. Cavenham moved up 4 to 140p, while similar gains took place in Associated Dairies, 202p, Amos Hinton, 58p, and Rubislaw Investment, 26p. Morris and David Jones 7½ per cent. Debenture stock was marked up 20 to £79 on the repayment plans. Kwik Save Discount continued firmly in supermarkets, improving 8 more to 257p for a two-day rise of 17.

Dawson Barfos advance

Miscellaneous Industrial leaders attracted fresh demand, although gains were partially erased later. Rises to 8 were still to be seen in Unilever, 410p, and Metal Box, 262p; both have interim figures due shortly. Bowater ended 5 up at 175p, after 177p, and Beecham, with half-time results due November 20, closed 2 firmer at 315p, after 318p. Elsewhere, Dawson and Barfos moved into the limelight "after hours" with an advance of 10 to 55p in response to the share-exchange offer (currently worth 57½p) from Matthews Holdings, 4½ down at 46p. The forecast rise in dividend accompanying the proposed "rights" offer left Hunting Associated 6 higher at 74p, while Gieves closed 4 firmer at 49p on the increased interim profits. Hoover "A", after improving to 318p, reacted to 310p on the disappointing third-quarter results, but subsequently picked up to 315p for a net gain of 3. Smiths Industries, ahead of results due next Thursday, improved 4 to 127p, while Evode Holdings, 62p, and Cape Industries, 142p, rose 6 apiece. In contrast, M.Y. Dart retreated 4 to 38p on disappointment with the preliminary results, while B. S. and W. Whiteley, on the fall in half-time profits, lost 3 to 37p. Following the termination of talks about a proposed acquisition, dealings were resumed in Grovebell which, against the suspension price of 30p, opened at 24p and touched 28p before closing at 26p.

Airflow Streamlines provided an isolated weak spot in Motors and Distributors at 24p, down 7, on the first half profits setback. Lucas Industries, ahead of next Monday's results, closed 3 up at 148p, after 149p, while Dowty, 137p, and Jonas Woodhead, 82p, put on 7 apiece. Awaiting fresh developments in the bid situation, Harmo Industries hardened 2 more to 38p. Group Lotus Car, at 27p, recouped a penny of the previous day's fall of 3 which followed the disclosure of the first half loss.

Newspapers extended Wednesday's upsurge, initially caused by a broker's review of the industry, and Thomson rose 10 further to 215p, while News International, 133p, and Associated, 95p, after 96p, gained 5 apiece. Markedly better results put Beaverbrook "A" up to 47½p, a fresh peak for the year, before a close of 2 dearer on balance at 45p. William Collins, up 4 at 100p, proved best in Publishers, while Bemrose gained 4 to 41p in Paper/Printings. Inveresk closed 3 better at 62p and Usher Walker 1 harder at 41p, the latter on the first half results.

With sentiment further undermined by adverse Press comment, leading Properties, after attempting to improve with the rest of the market, came back on renewed selling to close marginally easier on balance. Land Securities, 169p, after 172p, and Town and City Properties, 15p, recorded net losses of a penny, while MEPC finished unaltered at 58p, after 60p. Secondary issues were neglected but closed a little firmer for choice, but Warnford Investments declined 5 to 170p and Maybrook Properties 3 to 27p. The South African Sorec were in good form, rising 9 to 84p.

Royal Dutch/Shell's third-quarter figures were mildly disappointing and this, coupled with a fairly strong report, later confirmed, that a large number of Shell had been sold outside the market had an adverse impact, leaving the latter 8 down at 376p. Royal Dutch slipped ⅜ to £28 despite favourable investment currency influences. Elsewhere, British Petroleum reacted in sympathy to close 5 lower at 585p, after 593p, but Burmah moved up to 37p on the attempt to refinance its tanker plans and on the sale of part of its Shell holding for £17m., before settling back at 35p, a gain of only 1 on balance. British-Borneo improved 4 to 134p following good interim results. Among overseas issues, Siebens (U.K.) jumped 75 to 525p.

S. and W. Berisford showed renewed strength in Overseas Traders, advancing 10 to a peak for the year of 231p in response to the forecast rise in profits accompanying the full "rights" offer details. Ocean Wilsons, a firm market of late on the increased first-half profits, moved forward to close 11 higher at 106p, after 108p. Inchcape scored a fresh rise of 9 at 356p, after 359p, and Harrisons and Crosfield improved 50 to 925p.

For the fifth consecutive trading day, Reardon Smith succumbed to persistent small selling on fears about the company's North Sea drilling-rig interests: the Ordinary fell 10 more to 355p and the "A" declined 11 to 96p, after 95p.

Charterhouse Group become popular in Financials, rising 4 to 49p, after 50p.

A good investment demand helped Courtaulds rise 5 to 148p, after 150p, in firm Textiles. Carpets International improved 4 to 84p as did Hollas, to 30p, while John Haggas gained 10 to 275p in a thin market. Lister held steady at 35p in front of to-day's preliminary results.

Plantations closed without much alteration following a small trade. Kulim were unchanged at 26½p prior to being quoted as a foreign investment currency stock from to-day.

Gains in Mines

Mining share markets advanced over a broad front. The overnight strength of transatlantic markets coupled with the firmer morning fixing of bullion brought in buyers of Golds at the opening and a strong general demand continued throughout the day in a market short of stock.

Although profit taking pared rises in later dealings, gains ranged to £1¼ in Buffels (£16½) with President Brand adding £1 at £20½. The Gold Mines index rose 7.2 to 273.9 and bullion was finally unchanged at $146.25 per ounce.

Financials mirrored Golds and the higher trend in U.K. Industrials. Anglo American advanced 10 at 385p and Union Corporation rose 20 to 435p. A Cape demand left Gold Fields of South Africa £1¼ higher at £25½. Charter Consolidated gained 7 at 169p after 172p and Rio Tinto-Zinc added 6 at 180p. Rand Selection advanced 30 at 800p; the increased profits and dividend were announced after market hours.

Coppers reflected the strength of the metal price, with Messina gaining 6 at 194p. "Tanks" rose 12 at 160p after 163p following a local and Continental demand in a market short of stock.

Platinums were also higher following Cape interest and Potgietersrust closed at 184p, up 8.

Australians were mixed, in line with Sydney and Melbourne overnight. Pancontinental succumbed to profit-taking following its recent sharp rise, and closed 10 down at 710p. Further speculative buying left Newmetal and North Kalgurli harder at 3p and 11p respectively.

Tins were generally better where changed. Ayer Hitam being 5 to the good at 142p. Sungei Besi were unchanged at 43p; news of the passing of the interim dividend came after market hours.

Elsewhere, Cape buying left Murchison up 20 at 730p while Yukon Consolidated reacted 2 to 73p.

FINANCIAL TIMES STOCK INDICES

—	Nov. 6	Nov. 5	Nov. 4	Nov. 3	Oct. 31	Oct. 30	A year ago
Government Secs	58.24	58.05	58.28	58.37	58.05	57.84	55.31
Fixed Interest	58.86	58.77	58.97	58.93	58.72	58.68	52.96
Industrial Ordinary	366.0	360.8	358.9	350.5	361.2	362.0	191.5
Gold Mines	275.9	266.7	263.2	263.8	267.0	267.3	379.0
Ord. Div. Yld. %	5.80	5.89	5.91	6.05	6.03	6.01	10.42
Earnings Yld. % (full) (a)	16.03	16.26	16.51	16.71	16.66	16.61	28.27
P/E Ratio (net) (a) (b)	8.88	8.76	8.73	8.52	8.54	8.57	4.94
Dealings marked	8,636	8,159	6,812	6,552	6,213	6,258	7,146
Equity turnover £m	—	80.23	64.00	47.93	57.80	64.83	78.83
Equity bargains total	—	17,933	15,595	14,171	15,193	14,389	22,482

10 a.m. 362.9. 11 a.m. 365.5. Noon 368.2. 1 p.m. 369.4. 2 p.m. 368.3. 3 p.m. 368.9.
Latest Index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=8.82.
Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942. † Corrected.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.54 (20/5)	49.18 (3/1)	137.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.51 (21/5)	50.53 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	366.0 (6/11)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5)	231.6 (6/10)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	Nov. 6	Nov. 5
Daily—		
Gilt-Edged	164.7	156.1
Industrials	322.4	298.6
Speculative	75.9	52.9
Totals	196.6	185.7
5-day Av'r'ge		
Gilt-Edged	164.3	162.3
Industrials	256.8	234.4
Speculative	60.1	53.9
Totals	165.6	164.7

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS / GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thursday, Nov. 6, 1975: Index No.	Day's Change %	Est. Earnings Yield % (Max. Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Wed. Nov. 5 Index No.	Tues. Nov. 4 Index No.	Mon. Nov. 3 Index No.	Friday Oct. 31 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	136.48	+2.2	16.84	6.06	8.89	8.89	133.51	131.39	129.10	129.85	67.49	136.48 (6/11)	51.78 (6/1)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	130.79	+1.8	13.66	6.29	11.18	11.17	128.43	126.78	124.56	126.36	60.51	130.79 (6/11)	45.11 (6/1)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	250.94	+1.8	14.92	3.74	10.08	10.08	246.41	243.05	239.94	239.69	94.28	251.61 (23/4)	74.74 (6/1)	389.33 (19/5/72)	71.48 (12/12/74)
4	Electricals (17)	240.99	+2.3	16.95	4.82	8.64	8.64	235.52	230.76	224.38	225.90	124.66	240.99 (6/11)	98.49 (2/1)	350.04 (4/5/72)	84.71 (25/6/66)
5	Engineering (Heavy) (13)	158.51	+2.1	20.59	7.49	7.40	7.40	155.21	154.77	151.96	151.31	86.74	159.79 (22/4)	64.39 (2/1)	202.57 (8/6/73)	64.39 (2/1/75)
6	Engineering (General) (63)	117.56	+2.7	18.60	7.12	8.04	8.04	114.51	112.81	111.30	111.63	60.60	117.56 (6/11)	45.43 (6/1)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (9)	44.09	+0.2	18.70	9.53	9.66	9.66	43.98	44.01	44.12	43.82	26.71	46.98 (20/5)	20.11 (2/1)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (24)	116.51	+2.0	18.34	6.79	8.14	8.14	114.25	111.31	110.40	110.80	64.07	121.76 (6/6)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (56)	112.66	+2.3	15.64	6.48	9.42	9.41	110.08	107.96	105.98	105.96	49.95	112.66 (6/11)	38.39 (6/1)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	129.05	+2.4	14.65	4.15	10.21	10.19	126.01	124.82	122.21	122.54	55.77	129.05 (6/11)	44.28 (6/1)	257.41 (19/5/72)	42.85 (12/12/74)
11	Household Goods (14)	164.48	+1.3	15.06	6.36	9.73	9.70	162.43	155.86	154.51	154.83	77.51	164.48 (6/11)	64.53 (6/1)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (27)	63.07	+2.7	17.59	7.38	8.20	8.20	61.39	59.77	58.68	58.32	29.59	63.07 (6/11)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	149.67	+1.6	13.51	5.74	10.73	10.66	147.31	144.99	142.44	142.18	73.95	149.67 (6/11)	61.98 (6/1)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (15)	170.40	+1.0	11.73	6.01	12.90	12.90	168.73	167.24	163.34	163.55	86.90	170.40 (6/11)	75.58 (6/1)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	156.41	+2.2	12.22	6.45	12.42	12.42	152.99	151.69	144.45	144.53	102.16	177.94 (9/7)	80.42 (6/1)	257.40 (13/7/72)	78.88 (13/12/74)
16	Entertainment, Catering (16)	178.61	+2.3	11.68	6.71	13.40	12.75	174.60	172.40	168.39	167.18	70.63	178.61 (6/11)	56.28 (6/1)	329.99 (12/12/72)	54.83 (9/1/75)
17	Food Manufacturing (22)	161.59	+1.7	13.12	4.99	10.50	10.46	158.81	156.37	154.34	154.27	66.49	161.59 (6/11)	62.03 (2/1)	211.65 (1/5/72)	59.77 (11/12/74)
18	Food Retailing (16)	154.60	+2.0	10.01	4.27	14.50	14.50	151.57	148.25	146.13	146.40	65.15	164.60 (6/11)	57.15 (2/1)	255.08 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	156.46	+5.1	13.70	6.33	11.15	11.15	148.93	143.49	141.80	141.14	76.01	156.46 (6/11)	55.08 (6/1)	260.29 (18/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	98.34	+2.5	22.63	7.50	6.58	6.58	95.91	94.77	93.82	94.11	57.80	107.12 (20/5)	43.46 (6/1)	135.69 (26/4/72)	43.46 (6/1/75)
21	Stores (32)	128.92	+1.2	11.53	5.23	13.28	13.28	127.42	124.53	122.49	122.42	66.15	132.94 (24/10)	52.63 (6/1)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (23)	158.38	+2.3	21.13	6.76	5.69	5.54	154.80	153.58	150.94	149.89	75.94	158.38 (6/11)	62.91 (6/1)	253.72 (17/9/68)	62.66 (11/12/74)
23	Tobacco (3)	206.37	+0.9	16.42	6.53	9.27	9.27	204.59	202.23	199.73	198.08	126.50	206.37 (6/11)	109.92 (6/1)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	61.78	−0.4	22.89	6.56	6.07	6.07	62.02	62.43	61.75	61.37	27.37	62.43 (4/11)	20.92 (6/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (93)															
25	Chemicals (24)	184.31	+1.1	15.10	5.21	9.28	9.28	182.28	180.72	177.87	178.57	91.00	189.17 (3/6)	73.14 (6/1)	201.92 (31/1/69)	71.20 (1/12/74)
26	Office Equipment (10)	88.94	−0.7	14.99	5.86	9.35	9.35	88.36	85.00	84.48	85.69	60.77	104.78 (17/4)	45.34 (2/1)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (12)	383.73	+1.3	20.12	6.30	6.38	6.13	378.90	378.35	374.06	372.99	247.72	401.84 (10/5)	194.38 (6/1)	517.00 (6/12/73)	90.80 (29/6/62)
28	Miscellaneous (47)	155.01	+1.6	15.97	6.62	9.27	9.26	152.62	149.10	147.74	148.24	80.51	155.01 (6/11)	60.39 (6/1)	258.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	146.97	+1.7	14.96	5.81	9.71	9.67	144.54	142.26	139.95	140.14	73.71	146.97 (6/11)	59.19 (6/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	331.02	−1.4	15.21	4.86	7.34	6.57	335.83	329.69	323.37	323.30	146.82	335.83 (5/11)	105.83 (2/1)	431.66 (29/5/69)	87.23 (29/6/62)
31	500 SHARE INDEX	162.27	+1.2	15.00	5.66	9.24	9.00	160.38	157.79	155.14	155.32	79.92	162.27 (6/11)	63.49 (6/1)	227.95 (16/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	138.26	+0.9	—	5.16	—	—	136.97	134.87	132.55	133.60	66.97	148.45 (30/5)	56.50 (6/1)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	168.22	−0.1	17.48	4.76	8.76	8.76	168.44	165.86	161.98	161.56	73.70	177.11 (6/6)	62.56 (2/1)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	159.74	+1.2	—	7.72	—	—	157.82	156.25	155.42	155.27	95.83	169.27 (7/3)	84.13 (6/1)	293.15 (2/7/72)	81.40 (10/12/74)
35	Hire Purchase (5)	97.94	+1.4	—	6.47	—	—	96.59	95.50	95.80	97.67	75.69	134.39 (10/5)	42.81 (6/1)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	124.05	+1.7	—	5.51	—	—	122.01	119.60	117.09	117.19	57.73	127.97 (25/4)	44.88 (2/1)	194.46 (15/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	113.88	+1.7	—	6.01	—	—	111.99	110.74	108.52	111.09	51.30	123.90 (20/5)	44.47 (2/1)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (9)	226.73	+1.5	9.21	3.66	16.29	16.29	223.38	222.82	223.45	225.89	86.53	228.74 (28/10)	68.96 (7/1)	262.57 (12/12/73)	65.86 (16/12/74)
39	Merchant Banks (19)	86.33	−1.6	—	5.87	—	—	85.00	83.41	82.50	83.07	46.02	94.97 (7/3)	31.21 (7/1)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	158.52	−0.3	3.61	3.72	45.73	43.47	158.04	154.82	152.98	153.51	98.76	241.22 (22/4)	88.19 (7/1)	367.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (4)	78.12	+4.8	12.56	6.15	12.73	12.57	74.52	72.20	72.04	73.04	43.06	78.12 (6/11)	34.78 (10/1)	303.15 (18/5/72)	33.29 (17/12/74)
42	Investment Trusts (50)	166.76	−1.4	2.96	4.29	33.81	33.79	164.52	162.75	163.38	164.12	87.35	178.53 (6/6)	73.43 (6/1)	246.79 (25/4/72)	71.65 (13/12/74)
43	ALL-SHARE INDEX (650)	156.41	+1.1	—	5.49	—	—	154.64	152.21	149.83	150.22	77.09	156.41 (6/11)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	382.56	+0.6	14.87	8.76	9.74	9.66	380.36	382.24	382.24	384.12	304.98	362.54 (25/6)	281.66 (2/1)	565.37 (23/7/73)	84.68 (25/8/65)
45	Teas (10)	116.39	—	35.22	8.97	4.09	3.95	116.39	116.22	117.04	115.92	72.13	117.07 (30/10)	76.76 (10/1)	121.47 (1/5/72)	59.72 (17/10/74)
46	Coppers (3)	279.40	+1.0	70.39	17.54	1.42	1.42	276.64	276.64	275.52	275.52	363.32	467.74 (27/5)	256.42 (24/9)	567.78 (13/7/73)	94.08 (29/4/62)
47	Mining Finance (11)	115.10	+3.7	10.60	4.50	10.66	10.66	109.11	106.84	106.17	107.08	93.07	141.34 (30/5)	80.58 (22/1)	175.90 (22/4/69)	66.31 (30/9/74)
48	Tins (8)	91.83	−1.1	12.03	9.75	10.86	9.72	90.79	89.96	88.11	87.63	61.42	114.49 (3/6)	58.91 (6/1)	125.43 (12/1/73)	54.83 (27/6/71)
49	Overseas Traders (13)	219.12	+2.0	15.90	4.50	8.04	8.03	214.81	213.04	209.26	208.73	—	252.23 (20/6)	97.37 (6/1)	252.23 (20/6/75)	97.37 (6/1/75)

	FIXED INTEREST	Thurs. Nov. 6 Index No.	Thurs. Nov. 6 Yield %	Wed. Nov. 5	Tuesday Nov. 4	Monday Nov. 3	Friday Oct. 31	Thurs. Oct. 30	Wed. Oct. 29	Tuesday Oct. 28	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.89	14.89	14.77	14.77	14.86	14.96	14.87	14.84	16.23	—	—	—	—
2	20-yr. Govt. Stocks (6)	46.59	‡13.92	46.40	46.67	46.81	46.59	46.42	46.66	46.80	43.22	53.09 (20/5)	38.27 (3/1)	115.42 (11/9/63)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	45.87	‡16.03	45.86	45.86	45.79	45.77	45.72	45.72	45.72	38.97	50.68 (21/5)	37.01 (3/1)	113.45 (25/10/63)	37.01 (3/1/75)
4	Investment Trusts Prefs. (15)	47.28	14.63	47.15	47.00	46.96	47.21	47.13	46.72	46.63	56.67	47.30 (29/7)	35.35 (3/1)	114.41 (13/9/63)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	63.85	14.79	63.81	64.68	64.74	65.66	65.86	65.32	65.35	52.22	68.02 (5/6)	48.35 (3/1)	114.96 (7/10/63)	47.67 (8/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31.12.74	100.00	Miscellaneous Financial	31/12/70	128.06
Engineering (Heavy)	31.12.71	153.84	Food Manufacturing	29/12/67	114.13
Engineering (General)	31.12.71	153.84	Food Retailing	29/12/67	114.13
Wines and Spirits	16.1.70	144.76	Insurance Brokers	29/12/67	96.67
Toys and Games	16.1.70	135.72	Mining Finance	29/12/67	100.00
Office Equipment	16.1.70	162.74	All Other	10/4/62	100.00
Industrial Group	31.12.70	128.20	‡ Redemption yield.		

FT-Actuaries Indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 16p. Commonwealth 18p. Foreign 22p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	16	302	+2	304	118
Shell Transport	25p	15	376	−8	386	118
Courtaulds	25p	13	148	+5	148	53
Debenhams "New"	Nil/pd.	12	28*	+1	29*	24*
GKN	£1	12	248	+5	277	95
Tate & Lyle	£1	12	250	+12	257	85
Weir Grp. "New"	Nil/pd.	12	23*	+3	23*	10½*
Bowater	£1	11	175	+5	179	50
BP	£1	11	585	−5	598	190
"Bats"	25p	10	328	+1	338	164
Charter Cons.	25p	10	169	+7	205	87
Distillers	50p	10	126	+2	150	65½
Grand Met.	50p	10	69	+1	70½	17¼
Metal Box	£1	10	262	+8	286	109½
Midland Bank	£1	10	298	−2	305	122

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e)
* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Oct. 28	Nov. 10	Jan. 22	Feb. 3
Nov. 11	Nov. 24	Feb. 5	Feb. 17
Nov. 25	Dec. 8	Feb. 19	Mar. 2

"Calls" were dealt in Burmah Oil, National Westminster Bank Warrants, David Charles, Westinghouse Brake, Ever Ready, Bridon, Selection Trust, Dunlop, Hill Samuel Warrants, Siebens Oil and Gas, British Car Auction, Premier Oil, Henderson Kenton, Hampton Areas, J. B. Eastwood, Bentima, MEPC and Lonrho. No "puts" were reported, but "doubles" were arranged in Premier Oil, Selection Trust, Dunlop, Hill Samuel Warrants, British Car Auction, J. B. Eastwood, Burmah Oil, MEPC and Town and City.

Industrials		Grand Met.	7	Slater Walker	9		
		G.U.S. 'A'	17	Spillers	5	Mines-	
A. P. Cement	15	Guardian	20	Tesco	6	Anglo Amer.	50
Assoc. Leisure	3	G.K.N.	23	Thorn "A"	17	Broken Hill Prp	76
Barclays Bank	25	Hawker Sidd.	27	Tube Invest.	24	Charter Cons	22
Beecham	28	House of Fraser	8	Unilever	35	Chart'rh'll Fin.	10
Boots Drug	12	Hudson (Wlms)	4	Utd. Drapery	10	Cons Gold	22
Bowaters	16	I.C.I.	21	Vickers	13	De Beers Def	35
B.A.T.	30	"Imps"	7	Woolworths	6	F. S. Geduld	350
British Leyland	7	I.C.L.	7			Great Boulder	12
BOC Int.	5½	Inveresk	7	Property		Hampton Areas	15
Burton 'A'	9	Legal & General	13	Cap. Counties	4½	Hampton Prop.	4
Cadburys	6	Lloyds Bank	22	E.P.	8	Kloof	140
Courtaulds	12	"Lofs."	6	Int. Europe	6	Lonrho	13
Debenhams	8	"Mams"	6	Land Securities	18	Loraine	55
Distillers	13	Marks & Sp'ncer	11	Peachey	6	Metals Explor.	8
Dunlop	5½	Midland Bank	25	Town & City	4½	Poseidon	56
Eagle Star	13	Nat'l West Bank	22	Town & Comm.	4	Pres. Steyn	275
E.M.I.	17	P & O Dfd.	10			Rio T-Zinc	20
First National	2	Plessey	8	Oils		Welkom	55
G.R.A. Trust	4	R.H.M.	6	Brit. Petroleum	45	West Areas	75
Gen. Accident	16	Rank Org. 'A'	17	Burmah Oil	5	Western M'ng.	18
Gen. Electric	13	Reed Int'l	23	Shell	30	Zambian Copp.	10
Glaxo	40			Ultramar	21		

NEW HIGHS AND LOWS FOR 1975

Too numerous to name individually the 198 new 1975 highs recorded among securities listed in the Share Information Service yesterday are given below in their sub-sections. There were 9 new lows.

NEW HIGHS (198)

BRITISH FUNDS (2)
COM'WEALTH & AFRICAN LOANS (1)
BANKS (4)
BEERS (5)
BUILDINGS (12)
CHEMICALS (7)
CINEMAS (6)
DRAPERY & STORES (11)
ELECTRICALS (14)
ENGINEERING (27)
FOODS (16)
INDUSTRIALS (35)
INSURANCE (4)
MOTORS (20)
NEWSPAPERS (5)
PAPER & PRINTING (7)
PROPERTY (1)
SHIPPING (1)
TEXTILES (11)
TRUSTS (5)
OILS (2)
OVERSEAS TRADERS (2)

NEW LOWS (9)

AMERICANS (1)
Penn-Central
BUILDINGS (1)
Rohan Group
FOODS (1)
British Vending
INDUSTRIALS (1)
Movitex
PROPERTY (4)
Ewart New Northn. Marler Estates
Inv. & Prop. Hldgs. Maybrook Props.
SHIPPING (1)
Reardon Smith 'A'

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	46	1	9
Corpns., Dom. and Foreign Bonds	16	4	51
Industrials	679	137	916
Financial and Prop.	260	45	293
Oils	10	6	17
Plantation	4	2	41
Mines	88	9	56
Recent Issues	13	1	23
Totals	1,116	204	1,406

NORTHANTS COUNCIL URGES BUSES PROBE

Northamptonshire County Council is demanding a Government inquiry into the running of the United Counties Bus Company, which is £2.7m. in the red, and has just increased local fares for the first time this year.

MONEY MARKET

Small assistance

Bank of England Minimum Lending Rate 12 per cent. (since October 3, 1975)

There was a slight shortage of day-to-day credit in the London money market yesterday, and the authorities gave a small amount of assistance by buying Treasury bills from the Discount houses. Banks carried forward run-down balances, there was a net market take-up of Treasury bills, revenue payments to the Exchequer exceeded Government disbursements, and local authority bill maturities were also against the market's favour. On the other hand a fall in the note circulation assisted the market.

A rate of 11½ per cent. was paid for secured call loans in the early part, and although funds commanded 12 per cent. in places, closing balances were generally in the region of 8¾-10¾ per ent.

In the inter-bank market overnight loans began at 11-11½ per cent., and after touching 11¾-11½ per cent. during the morning, rates eased towards the close to 10¾ per cent., and money was available at 9 per cent. in places.

Short-term fixed period interest rates were little changed overall, but showed a slightly easier trend in some sectors.

Rates in the table below are nominal in some cases.

Nov. 6 1975	Sterling Certificates of deposits	Interbank	Local Authority deposit*	Local Auth. negotiable bonds	Finance House deposits	Company deposits	Discount market deposits	Treasury bills ф	Bank bills ф	Fine trade bills ф
Overnight	—	9-11½	—	—	—	11-12½	8¾-12	—	—	—
2 days notice	—	—	11⅛-11¼	—	—	—	—	—	—	—
†7 days or 7 days notice	—	11-11⅛	11¼-11⅜	—	—	—	11-11¼	—	—	—
One month	11⅝-11½	11¼-11⅜	11¼-11⅞	11⅝-11⅜	11½-12½	—	11⅛-11⅛	11¼-11⅞	11⅞	12-11¾
Two months	11⅞-11⅞	11⅜-11⅛	—	11⅝-11⅜	11½-12⅝	—	11⅛	11⅜	11½-11⅝	12-11¾
Three months	11⅞-11⅞	11⅞-11⅝	11⅛-11⅝	11¾-11⅜	11½-12¾	—	11⅛	11⅞	11⅜	12¼-12
Six months	11¾-11⅝	11⅝-11⅞	11⅞-11⅞	12-11½	12-13	—	—	—	11⅝-11⅞	12½-12⅜
Nine months	11⅞-11⅞	11⅞-11⅞	—	12¼-11¾	12-13	—	—	—	—	—
One year	11⅞-11⅞	11⅞-11⅞	12¼-12½	12¼-11¾	12-13	—	—	—	—	—
Two years	—	12¼-12⅝	12⅞-12⅞	12¾-12¼	—	—	—	—	—	—

† Local authority and finance houses seven days' notice others seven days' fixed. * Long-term local authority mortgage rate nominally three years 13½-13⅝ per cent.; four years 13¾-14 per cent.; five years 14-14½ per cent. ф Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11¼-11⅞ per cent.; and four month trade bills 12¼ per cent. Approximate selling rates for one-month Treasury bills 11$\frac{5}{32}$-11¼ per cent.; two-month 11$\frac{5}{16}$-11$\frac{5}{32}$ per cent., three month 11¼-11$\frac{7}{32}$ per cent. Approximate selling rates for one-month Bank bills 11$\frac{3}{16}$ per cent.; two-month 11¼-11$\frac{7}{32}$ per cent.; and three-month 11$\frac{9}{32}$-11½ per cent.; for one-month trade bills 11¼-11½ per cent.; two-month 11¾ per cent.; and three-month 11½-11¾ per cent.

Finance House Base Rate (published by the Finance Houses Association) 11½ per cent. from November 1. Clearing Bank Deposit Rates for small sums at seven days' notice 7 per cent. Clearing Bank Rate for lending 11 per cent. Treasury Bills: Average tender rates of discount 11.4103 per cent.

BASE LENDING RATES

AFI International	11 %
Allied Irish Banks Ltd.	11 %
Anglo-Portuguese Bank	11½%
Henry Ansbacher	11½%
Banco de Bilbao	11 %
Banco de Jerez	11½%
Bank of Cyprus	11 %
Bank of N.S.W.	11 %
Banque du Rhone S.A.	11½%
Barclays Bank	11 %
Barnett Christie Ltd.	12 %
Bremar Holdings Ltd.	12 %
Brit. Bank of Mid. East	11 %
■ Brown Shipley	11½%
Cayzer, Bowater Co. Ltd.	11½%
Cedar Holdings	11 %
■ Charterhouse Japhet	11½%
C E Coates	11½%
Consolidated Credits	12 %
Co-operative Bank	*11 %
Copleys Bank	12 %
Corinthian Securities	11 %
Credit Lyonnais	11 %
G. R. Dawes	12 %
Duboff Brothers	12 %
Duncan Lawrie	11 %
English Transcont.	12 %
First London Secs.	11 %
■ Antony Gibbs	11 %
Goode Durrant Trust	11 %
Greyhound Guaranty	11 %
Grindlays Bank	11 %
■ Guinness Mahon	11 %
■ Hambros Bank	11 %
Hawtin & Partners	13 %
■ Hill Samuel	§11 %
C. Hoare & Co.	†11 %
Julian S. Hodge	12 %
Industrial Bank of Scot.	11 %
Jacobs. Kroll	11½%
Keyser Ullmann	11½%
Knowsley & Co. Ltd.	12½%
Lloyds Bank	11 %
London & European	11½%
London Mercantile	11½%
Midland Bank	11 %
■ Samuel Montagu	11 %
■ Morgan Grenfell	11 %
National Westminster	11 %
Northern Comm. Trust	11½%
Norwich General Trust	11½%
Portman Guaranty	11 %
P. S. Refson & Co.	11 %
Rossminster Accept'cs	11 %
Royal Trust of Canada	12 %
Schlesinger Limited	11½%
E. S. Schwab	12½%
Security Trust Co Ltd.	12½%
Shenley Trust	12½%
Standard Chartered	11 %
Sterling Credit	12½%
Thames Guaranty	11 %
Trade Development Bk.	11 %
Twentieth Century Bk.	12½%
United Bank of Kuwait	11 %
Whiteaway Laidlaw	11½%
Williams and Glyn's	11 %
Yorkshire Bank	11 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 7%, 1-month deposits 7½%.
† 7-day deposits on sums of £10,000 and under 7%, up to £25,000 7½% and over £25,000 8¼%.
§ Demand deposits 8¼%.

CORAL INDEX
Close 362-367

I.G. INDEX
GOLD 144½-147½

INSURANCE BASE RATES

† Atlantic Assurance	12 %
Cannon Assurance	9½%

† Address shown under Insurance and Property Bond table.

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AUTHORISED UNIT TRUSTS

Bishopsgate Progressive Mgmt. Co.♥
9, Bishopsgate, E.C.2. 01-588 6280

B'gate Pro* Oct. 28	110.9	118.2	.....	3.88
Acm. Utr* Oct. 28	122.9	130.9	.....	3.08
B'gate Int. †Nov. 4	105.0	112.4	.....	2.76
Acm. Uts.† Nov. 4	110.7	118.4	.....	2.76

Next sub. day *Nov. 11. †Nov. 18

Brandts Ltd.♥
36, Fenchurch St., E.C.3. 01-626 6599

Brandts Cap.	96.0	103.0	−1.0	2.21
Do. Accum.	105.0	113.0	−1.0	2.16
♦Brandts Inc.	106.5	112.5	+0.5	7.79

Next sub. day Oct. 23.

Friends' Provdt. Unit Tr. Mgrs♥
7, Leadenhall Street, E.C.3. 01-626 4511

Friends Tst. Uts.	28.9	30.9	+0.6	4.10
Do. Accum.	34.1	46.4	+0.6	4.10

G.T. Unit Managers Ltd.♥
16, St. Martins-le-Grand, EC1. 01-600 9461

G.T. Cap. Inc.	53.9	57.3	.....	5.00
Do. Acc.	61.2	65.1	.....	5.00
G.T. Inc. Fd. Un.	95.8	101.9	.....	10.00
G.T. U.S. & Gen.	120.6	128.2	.....	1.00
G.T. Japan & Gen.	155.5	165.4	.....	1.00
♦Gt. Pens. Ex. Fd.	106.8	112.1	.....	3.00

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

Albany Inv. 20p	16	.....	Craig Ship. £1	350	−20	Shiloh Spinn.	23	.....
Ash Spinning	37	.....	Hallam Sleigh 10p	6	.....	Sindall (Wm.)	50	.....
Bertam	18	.....	Higsons Brew.	90	.....			
Bdg'wtr. Est. 50p	130	.....	I.O.M. Stm. £1	110	.....	IRISH		
Clover Croft	35	.....	Holt (Jos.) 25p	255	+5			
Craig & Rose £1	315	.....	Kleen-e-Ze	17	.....	Alliance Gas (£1)	67	−1
Dyson (R.A.)	30	.....	Lovell's Ship £1	95	.....	Carroll (P. D.)	125	.....
Ellis & McHdy.	58	.....	N'thn. Goldsmith	90	.....	Clondalkin	58	.....
Evans Fr'k. 10p	35	+2	P.M.A.	26	.....	Concrete Prods.	80	.....
Evered	6	.....	Pearce (C. H.)	60	.....	Goodbody (£1)	28	.....
Fife Forge	47	.....	Peel Mills	12	.....	Helton (Hldgs.)	29	.....
Finlay Pkg. 5p	16	.....	Richards 10p	12½	.....	Irish Distillers	70	+2
Frost & Reed 50p	112	+2	RobbNaledon5h	33	.....	Irish Wire	40	.....
Gardiner & Sons	11	.....	Sayers 12½p	8	.....	Jacob	65	+½
Gardner (L.)	60	+4	Sheffield Brick	64	.....	Sunbeam	11	.....
			Sheff. Refrshmt.	141	.....	Unidare	63	.....

FOOD PRICE MOVEMENTS

	Nov. 6 £	Week ago £	Month ago £
BACON			
Danish A.1 per ton†	930	930	890
British A.1 per ton†	930	930	890
Irish Special per ton†	930	930	890
Polish A.1 per ton†	—	—	—
Ulster A.1 per ton†	930	930	890
BUTTER (packet)			
NZ per 20 lbs†	7.43- 7.67	7.43- 7.49	7.43- 7.48
English per cwt†	45.39-47.72	45.39	45.39
Danish salted per cwt†	46.54-47.49	45.63-46.54	46.51-46.95
CHEESE§			
English cheddar white rindless per tonne	—	—	—
NZ per tonne	824	780.5	780.5
EGGS*			
Home-prod. Standard	2.90- 3.10	2.60- 2.80	2.60- 2.90
Large	3.10- 3.30	2.85- 3.00	2.80- 3.00
	Nov. 6 per pound p p	Week ago per pound p p	Month ago per pound p p
BEEF			
Scotch killed sides ex KKCF	32.5—36.0	31.0—34.0	30.0—34.0
Eire forequarters	25.5—27.5	25.0—27.0	23.0—24.0
Argentine chilled rumps	—	—	—
LAMB			
English	32.0—34.0	30.0—33.0	30.0—33.0
NZ 2s-Ds	28.5—32.0	29.0—31.5	29.0—31.5
PORK (all weights)	27.0—39.0	26.0—39.0	25.0—37.5
MUTTON			
English ewes	14.0—15.5	13.0—16.0	11.0—12.0
POULTRY			
Broiler chickens	21.5—26.0	21.5—26.5	23.0—27.0

* London Egg Exchange price per 120 eggs. † Delivered.
§ For delivery November 8-15.

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 63¾% (based on $2.0965 per £)

CANADIANS

S.E. List Premium 63¾% (based on $2.1620 per £)
Conversion factor 0.6145 (0.6101)

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Trusts, Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

1975 High	1975 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£14¾	360	Durban Deep R1	420	+40	†Q110c	ϕ	‡
£14	520	E. Rand Prp. R1	700	+25	†Q815c	ϕ	‡
105	28	Rand Leases 25c	28	......	—	—	—
£34½	£15¾	Randf'tn Est. R2	£19¾	......	—	—	—
590	150	West Rand R1	175	+25	§Q40c	1.3	‡

EASTERN RAND

1975 High	1975 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
370	175	Bracken R1	222	+7	Q52c	ϕ	12.9
23	5	Dagga 50c	12	......	—	—	—
105	37	East Dag. R1	40	......	†Q25c	ϕ	‡
—	—	Cent. Areas 5c	140ϕ	......	—	—	—
330	120	Grootvlei 30c	160	+15	†Q32c	1.1	‡
820	410	Kinross R1	455	+20	Q54c	ϕ	6.4
190	70	Leslie 30c	78	+1	Q10c	ϕ	12.8
550	165	Marievale 70c	230	+20	†Q34c	1.1	‡
725	200	S. African Ld. 35c	280	+20	†Q85c	1.2	‡
265	82	Vlakfontein R1	122	+10	Q35c	1.3	15.9
£13¾	720	Winkelhaak R1	850	+25	Q108	ϕ	7.0
120	36	Wit. Nigel 25c	52	+5	—	—	1.4

FAR WEST RAND

1975 High	1975 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£31	620	Blyvoor 25	690	+30	Q100c	1.3	8.0
£21½	£12¾	Buffels R1	£16½	+1¼	Q160c	1.4	6.0
430	235	Deelkraal R0.20	252	+2	—	—	—
£14¾	610	Doornfontein R1	850	+25	Q110c	1.4	6.9
£12¾	725	East Drie R1	985	+½	Q65c	ϕ	7.6
450	200	Elsburg R1	235	+5	Q45½c	—	10.7
£31	£15	Hartebeest R1	£19½	......	Q215c	1.4	6.4
£13¾	730	Kloof Gold R1	820	+10	Q55c	1.4	3.7
£17¾	650	Libanon R1	750	+35	Q110c	1.9	8.1
£13¾	600	Southvaal 50c	815	+25	Q9c	0.9	0.6
430	210	Stilfontein 50c	245	......	†Q65c	1.3	‡
£33¾	£17	Vaal Reefs 50c	£24	+¾	†Q270c	1.7	‡
£11½	270	Venterspost R1	365	+20	Q70c	1.9	10.0
£55	£33	W. Drie R1	£49½	+¼	Q495c	1.2	6.6
745	275	West'rn Areas R1	350	+15	†Q70c	1.4	10.7
£23	£13	Western Deep R2	£17½	......	†Q160c	1.4	‡
530	290	Zandpan R1	350	......	Q54c	1.0	6.0

O.F.S.

1975 High	1975 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
400	160	Fr. State Dev. 50c	210	+10	Q14c	1.6	3.7
£32¾	£19	F.S. Geduld 50c	£25¾	+1½	330c	ϕ	7.6
265	115	F.S. Saaiplaas R1	152	+4	26c	—	2.2
950	550	Harmony 50c	600	+15	Q77c	1.8	7.1
575	170	Loraine R1	212	+2	Q6c	ϕ	1.6
£28¾	£17¾	Pres. Brand 50c	£20½	+1	Q250c	ϕ	6.7
£25¾	£11¾	Pres. Steyn 50c	£12¾	+½	Q125c	ϕ	5.4
£39¾	£19¾	St. Helena R1	£24¼	+¼	Q250c	ϕ	5.7
340	170	Unisel	200	+8	—	—	—
525	245	Welkom 50c	335	......	Q55c	ϕ	9.1
£40	£25	W. Holdings 50c	£27½	+¼	Q475c	ϕ	9.9

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

1975 High	1975 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
155	102	North B. Hill $1	138	......	Q9c	1.4	3.7
16½	7	North Kalg. 30c	11	+½	—	—	—
87	47	Oakbridge $A1	83	......	Q8c	8.9	5.5
21	8	Pacific Copper 25c	18	+1	—	—	—
720	220	Pancont'l 25c	710	−10	—	—	—
25	9	Paringa M&Ex. 5p	11	......	—	—	—
450	235	Peko-Wallsend 50c	420	......	Q15c	ϕ	2.0
345	145	Poseidon 20c	155	+5	—	—	—
4	2	Scamander 25c	4	......	—	—	—
26	8	Vultan Min. 50c	10	......	—	—	—
6	4	Westmex 10c	5	......	—	—	—
214	137	W. Mining 50c	143	......	†Q8c	0.8	4.1
50	26	Whim Creek 20c	26	......	—	—	—

TINS

1975 High	1975 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
56	32	Amal. Nigeria	40	......	5.62	1.6	21.6
161	77	Ayer Hitam	142	+5	13.0	ϕ	14.1
36	10	Beralt Tin	13	+1	—	—	—
424	258	Berjuntai $M25	325	......	QSM2	ϕ	10.8
18	13	Ex Lands 10p	25	......	15	3.8	15.4
246	153	Geevor	155	......	12	2.3	11.9
18	9	Gold & Base 12½p	9	......	—	—	—
288	157	Gopeng Cons.	185xd	......	‡14.25	ϕ	‡
73	55	Hongkong	62	......	—	—	—
58	40	Idris 10p	53	......	6.7	2.2	19.4
11	7	Jantar 12½p	8	......	—	—	—
68	41	Kamunting 15p	45	......	7.0	1.2	23.9
165	135	Killinghall	135	......	48	—	13.7
192	106	London Tin 20p	150xd	......	7.0	1.3	6.8
220	93	Malay Dredging	176	+3	g43.9	1.6	9.6
41	22½	‡Pahang	37	......	Qh2.6	ϕ	10.8
65	41	Pengkalen 10p	46xd	......	7.0	1.0	23.4
102	75	Petaling $M1	100	......	—	—	—
23	8	Saint Piran	18	......	0.63	3.5	5.4
135	68	South Kinta (10p)	97	+2	9.5	1.5	15.0
160	73	Sthn. Malayan	128	+3	g43.9	2.4	12.2
63	41	Sungei Besi 20p	43	......	30	3.0	21.4
43	29	Sungei Way $M1	29	......	ZQ10	—	6.8
84	48	Tanjong 15p	52	......	4.35	2.3	12.9
75	50	Tongkah Hb $M1	51	......	‡Q30	1.3	‡
95	42	Tronoh	61	+1	†4.02	3.5	10.1

COPPER

1975 High	1975 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
112	52	Botswana RST R2	57	......	—	—	—
390	156	Messina R0.50	285	+3	‡Q35c	2.9	6.8

MISCELLANEOUS

1975 High	1975 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
8½	3	Burma Mine 17½p	8	......	m0.5	—	1.7
65	17	Chaterhall 5p	49½	+1	—	—	—
115	40	Colby Mines $1	70	......	—	—	—
760	360	Cons. Murch. 10c	730	+20	‡Q130c	2.2	‡
53½	29½	Lampsa	36	......	—	—	—
375	200	Northgate C$1	235	......	Q65c	1.0	13.2
211	80	R.T.Z.	160	+6	g5.51	4.4	4.8
135	47½	Sabina Inds. C$1	92	−1	—	—	—
81	45	Stanford Mines	45	......	—	—	—
£12½	874	Tara Exptn. $1	£10½	......	—	—	—
78	38	Yukon Cons. C$1	75	−2	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. They are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ♠ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ *Tax-free to non-residents.*
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ← Free of Stamp Duty.
- ◆ Merger bid or reorganisation in progress.
- ϕ Not comparable.
- ◆ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- † Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ▼ *Excluding a final dividend declaration.*
- ‡ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 23

FINANCIAL TIMES

Friday November 7 1975

GB II beats record in FT race

BY ALEC BEILBY

GREAT BRITAIN II crossed the finishing line at the entrance of Sydney Harbour yesterday afternoon to win the first leg of the Financial Times Clipper Race. She easily broke the 105-year-old record for the voyage under sail established by the clipper Patriarch.

Late last night, while the British crew were celebrating ashore on Australian steak, with wine provided by the sponsors of the French entry Kriter II, the French yacht was sighted fifteen miles from the finish, struggling in light variable winds.

She had dogged the track of the British yacht for 13,650 miles and was only about six hours from her at the finish. At one time it even seemed she might beat Great Britain in the closing miles.

In the event, Kriter II crossed the line at 10.07 last night, GMT, 6 hours 28 minutes behind GB II and inside the Patriarch's time for the journey.

Ashore in Sydney, in the early hours of the Australian dawn, skipper Mike Gill, a captain in the Royal Engineers, was more forthcoming than he had been in the tense closing stages of the race. Asked about the voyage as a whole he said that the yacht had behaved superbly.

"Apart from trouble with the rudder stock and damage to heavy weather sails in the southern latitudes, we had no real worries, apart from the French astern. At first we feared that the leak in the hull was the same stress trouble that had forced bailing during the yacht's last circumnavigation, but we isolated it to the steering gear and coped well."

Against Patriarch's time of 69 days one and a half hours Great Britain II covered the distance in 67 days, seven hours and 19 minutes.

The 11 hours time difference between London and Sydney meant that she finished in darkness during the early hours of to-day, Sydney time, but all times for the race have been taken from the GMT start at 2.20 a.m. on August 31.

Tired and jubilant her crew described how, as they approached Sydney from the south, avoiding the contrary coastal current by hugging the coast, they lost the wind off the notorious Perpendicular Point and Jervis Bay, a "wind desert" according to local yatchsmen.

Kriter was known to be well offshore and about 60 miles astern at this point, 100 miles from the finish. She was also known to have wind and to be making up ground fast.

When Mike Gill and his 13-strong crew found the wind again the French had closed the gap to 40 miles. Hoping for more wind and using sails that some sailors would have discarded long ago after wear and tear of the Southern Ocean, they edged their yacht along the coast.

Lighthouse keepers and coastguards reported the British progress hourly as Sydney yatchsmen prepared for a night at sea to welcome they yacht, but the exact whereabouts of Kriter II was less certain and the forecast predicted light variable winds.

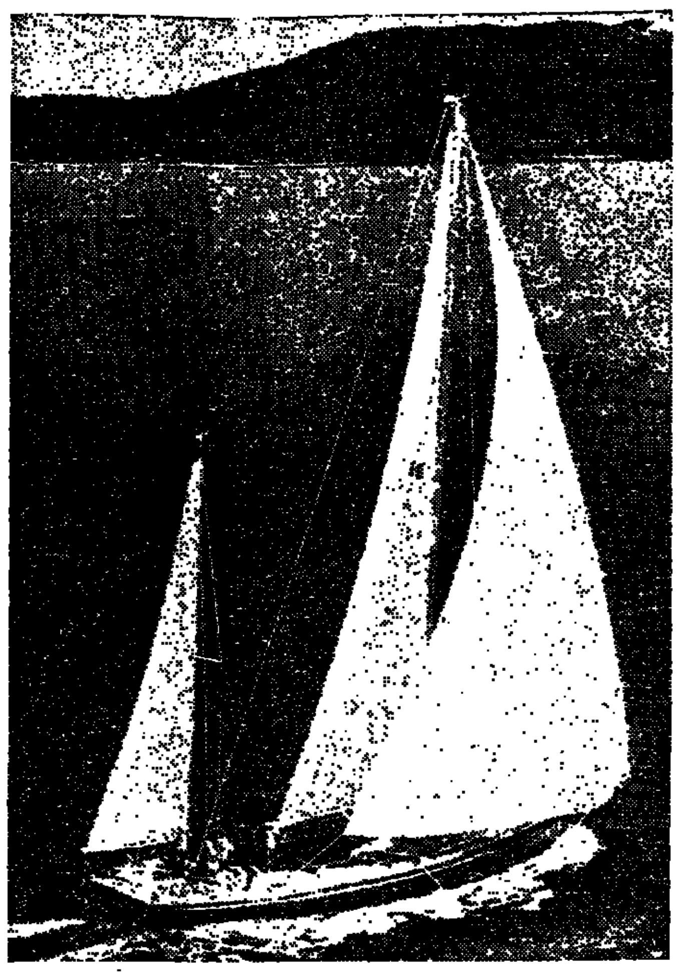
At last, as mid-night approached, Great Britain II approached the imposing cliffs that guard the harbour entrance and the finishing line, a mere mile away, as lightening danced along the harbour shore and thunder rumbled over the city.

The wind had disappeared and the encouraging shouts of the gathering spectators fell away as the already rather reticent crew became silent as they tried to find even the smallest breath of wind for the final agonising yards.

Over an hour later the wind came, though there was still little of it, and the yacht began to ghost forward for the last mile carrying a red, white and blue spinnaker that the Australians had already named the Union Jacksail.

At 2.30 a.m. eastern Australian summer time, surrounded by spectator craft, she made it.

Mr. Edward Heath, who started the Clipper Race, last night sent telegrams to the crews of both Great Britain II and Kriter II.



GB II right) crosses the line after 13,650 miles, just 45 miles ahead of Kriter II.

Warning on Haw Par report

BY MARGARET REID

A NUMBER of British businessmen formerly connected with Haw Par Brothers International have received letters telling them they may be criticised in the forthcoming interim report by Singapore inspectors conducting an official inquiry into the company.

The recipients of the letter, who include Mr. Donald Ogilvy Watson and Mr. Ian Tamblyn, formerly managing director and deputy managing director respectively of Haw Par, have been told that, if they want to hear any criticism there may be against them, they should go to Singapore to see the inspectors.

November 15 is thought to have been set as the time limit for such an appearance.

There was no comment last night from advisers to Mr. Jim Slater as to whether he had received a similar request. Mr. Slater resigned two weeks ago as chairman of Slater Walker Securities, which previously controlled Haw Par, mentioning that "matters connected with the recent inquiry into the affairs of Haw Par have received adverse publicity which is damaging to SWS."

It is understood that the letter, sent in similar terms to a number of people previously connected with the company, sets out the areas the inspectors' interim report is likely to cover.

After noting that the recipient may or may not be criticised in respect of one or more of the maters in question, it then goes on to request his attendance in Singapore.

There is resentment on the part of some of the recipients that the nature of possible criticisms has not been more closely defined. It is believed that a written submission is being prepared on behalf of Mr. Ogilvy Watson.

Mr. Ogilvy Watson has already been faced with a one-year prison sentence in Singapore for failing to comply with a court order requiring his appearance there by October 13 to give evidence to the inquiry.

He had earlier said he was ready to give evidence in this country, but was not anxious to go to Singapore owing to the "prejudiced atmosphere" there.

When the inquiry into Haw Par was set up in the summer, Mr. Hon Sui Sen, the Singapore Finance Minister, spoke in Parliament of evidence indicating "serious wrong-doing."

He also mentioned the formation of the Spydar Securities (Hong Kong) company, which he said had been set up by Haw Par for share dealings for the personal benefit of the directors.

Mr. Tamblyn afterwards commented that he was unaware of any serious wrong-doing in relation to the affairs of Haw Par.

Scottish Daily News to close to-morrow: workers plan sit-in

BY CHRIS BAUR, SCOTTISH CORRESPONDENT IN GLASGOW

THE SCOTTISH Daily News, launched as a workers' co-operative at the beginning of May, will cease publication to-morrow. After Mr. James Whitton, the company's provisional liquidator, broke the news yesterday, the paper's 519 employee - shareholders unanimously decided to occupy their Glasgow printing premises and attempt to continue a defiant limited form of publication.

As the workforce was being told of the closure decision, it also received a lengthy message from Mr. Robert Maxwell, its former chief executive, who announced that he wished to start a Glasgow-area evening newspaper if he was able to *negotiate the purchase of the* plant and premises. His plan was to progress towards the launch of a "24-hour" morning-and-evening publication.

It has been clear for more than a week that Mr. Maxwell, who owns the Oxford-based Pergamon Press book publishing company, has no interest in taking over the Scottish paper as a going concern. That would make him responsible for the £1.9m. owed in loans to the principal creditors, the Government and Beaverbrook Newspapers.

Mr. Whitton said he had explored in vain every possibility of keeping the paper and the co-operative going. "I have no alternative but to close the paper on Saturday unless something extraordinary turns up; and that—it is pretty clear from all the information I have—will not happen."

Mr. Maxwell's message would not prevent the closure. "It was not a difficult decision but it was one of the most sad decisions," said Mr. Whitton.

The workforce, drawn from among the 1,800 employees declared redundant by Beaver*brook 19 months ago when it* closed its Glasgow publishing operations, will lose the £200,000 it invested. Mr. Maxwell invested £114,000, the public about £160,000 and Beaverbrook Newspapers £150,000. The Government loaned £1.2m. in one of the first co-operative support operations initiated by Mr. Anthony Wedgwood Benn, when he was Industry Secretary, and Beaverbrook loaned a further £725,000.

Mr. Nathan Goldberg, the paper's editor, said: "We will occupy the building with a view to establishing the right to work; preventing any asset-stripper moving in to break up the property and sell it off in bits and pieces: to retain the co-operative: resucitate the newspaper and save the jobs. We will stay here till hell freezes over."

The men were examining the possibility of "publishing some form of newspaper, broadsheet or leaflet to keep our name before the public." The workforce has organised a petition addressed to the Prime Minister and has collected more than £3,000 in a fighting fund.

The workforce has also asked the Government to consider a suggestion by Mr. William Wolfe, the Scottish National Party chairman, and the company's former secretary, to establish a trust with sufficient funds to allow publication for about three months while a longer-term solution is sought.

● A Commons statement on the future of the Scottish Daily News could be made before the end of the session, Mr. Edward Short, Leader of the House, said yesterday.

Lords Press Bill changes rejected

BY RICHARD EVANS, LOBBY CORRESPONDENT

GOVERNMENT PRESSURE on the Lords to withdraw their amendments giving legal backing to the proposed Press Charter increased sharply yesterday as Ministers prepared for a constitutional conflict between Lords and Commons over the issue of Press freedom.

Mr. Michael Foot, the Employment Secretary, made it clear in the Commons that the Government rejected all the amendments passed by the Lords to the Trade Union and Labour Relations Bill that would give legal enforcement to the charter.

In three votes the Government had majorities of 49, 47 and 31.

Mr. Edward Short, leader of the Commons, warned that the Government would have to consider "very coolly and carefully" the position of the upper house because of the number of amendments passed to Government legislation this session.

The Commons rejection of the Lords' amendments means peers will have a final opportunity next Tuesday to decide whether to continue backing the amendments proposed by Lord Goodman and Lord Hailsham or bow to the will of the Commons.

If they continue to stand firm the Government will be faced with three choices:

1. Ministers could extend the session by one or two days in a final attempt to find a compromise formula. Both sides regard this as highly improbable as the issue of legal backing is one of fundamental principle.

2. The Bill could be accepted by the Government as amended by the Lords. This would mean the legislation would reach the statute book immediately, to the pleasure of the trade union movement. It would also mean, though, that the Government would have to introduce a further Bill next session deleting the Press freedom amendments passed by the Lords. As the Lords would presumably reject this Bill it would take two sessions for it to reach the statute book by invoking the Parliament Act.

3. The Trade Union Bill could fail this session, but be introduced early next session and any further attempt at delay by the Lords prevented by the operation of the Parliament Act.

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Burmah Oil sells £17m. Shell Transport shares

BY MARGARET REID

IN A MAJOR transaction worth about £17m., a total of 4.6m. shares in Shell Transport and Trading were yesterday sold by Burmah Oil through the stock market to a wide range of institutional investors.

The sale, at 367.25p a share, coincided with the announcement of reasonably encouraging quarterly trading figures by the Anglo-Dutch Royal Dutch-Shell group, in which Shell Transport has a 40 per cent. holding.

The price is a little below the recent market level of Shell shares, which have ranged this year between 118p and 386p.

The shares of the group, one of Britain's largest, have been very firm lately. Last night they closed 8p down at 376p, after news of the disposal.

The stockbrokers who arranged the sale were Cazenove, Hoare and Co. Govett, and J. and A. Scrimgeour.

Burmah, which received official backing at the beginning of this year to fend off a financial crisis due partly to its tanker problems, has made the sale to generate cash.

It has been known for some time that the shares in question were available for sale when an appropriate opportunity arose.

The only Shell shares Burmah now retains are those earmarked for holders wishing to convert from 5½ per cent. U.S. dollar bonds, due in 1988. At the end of 1974, some 6.6m. Shell shares were available for this purpose, but the total has now probably been somewhat reduced.

The far larger holding which Burmah formerly held of 77.8m. shares in British Petroleum (some 20½ per cent.) was sold to the Bank of England in January at 230p a share.

This deal has subsequently proved controversial in view of the later sharp rise in the BP price. BP shares were 5p down at 585p last night, while those of Burmah closed 1p up at 35p.

Weather

U.K. TO-DAY

SUNNY spells after mist or fog

London, N. and Cent. England, Midlands, Borders

Frost early. Sunny spells, some fog or mist. Wind, N, light. Max. 9C (48F).

E. and S.E. England, E. Anglia

Mist, then showers near coasts. Wind N, light to moderate. Max. 9C (48F).

Channel Is., S.W. England, Wales

Sunny periods, fog early. Wind variable, light. Max. 12C

Lakes, I of Man, Most of Scotland, N. Ireland

Fog at first, sunny spells. Wind SW or W. light to moderate. Max. 10C (50F).

N. Scotland, Orkney, Shetland

Cloudy. Some rain. Wind SW. light to moderate. Max. 9C

Outlook: Sunny periods.

Lighting-up: London 16.55, Manchester 16.57, Glasgow 16.57, Belfast 17.08.

BUSINESS CENTRES

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Amsterdm	S	11	52	Manchster	F	9	48
Athens	F	19	66	Melbourne	R	13	55
Bahrain	S	27	81	Mexico C.	S	20	68
Barcelona	S	16	61	Milan	C	11	52
Belfast	R	10	50	Montreal	S	14	57
Belgrade	S	14	57	Moscow	C	1	34
Berlin	C	7	45	Munich	Dz	5	41
Birmghm	F	10	50	Newcastle	S	10	50
Bristol	S	12	54	New York	S	16	61
Brussels	F	11	52	Oslo	S	7	45
Budapest	C	10	50	Paris	R	8	46
B. Aires	C	20	68	Perth	S	26	79
Cairo	S	24	75	Prague	Dz	6	43
Cardiff	F	12	54	Reykjavik	R	3	37
Cologne	C	9	48	Rio de J'o	S	27	81
Copnhagn	C	7	45	Rome	S	19	66
Dublin	C	9	48	Singapore	S	31	88
Edinb'gh	F	11	52	Stockholm	C	9	48
Frankfurt	C	6	43	Strasbourg	C	6	43
Geneva	C	8	46	Sydney	S	22	72
Glasgow	S	11	52	Tehran	S	7	45
Helsinki	F	9	48	Tel Aviv	S	24	75
H. Kong	S	22	72	Tokyo	R	13	55
Jo'burg	C	24	75	Toronto	S	8	46
Lisbon	S	15	59	Vienna	C	8	46
London	F	13	55	Warsaw	C	8	46
Luxembg	C	6	43	Zurich	C	7	45
Madrid	S	15	59				

HOLIDAY RESORTS

Ajaccio	S	19	66	Jersey	R	12	54
Algiers	C	18	64	Las Palms.	S	22	72
Biarritz	R	11	52	Locarno	C	11	52
Blackpool	F	10	50	Majorca	S	19	66
Bordeaux	F	11	52	Malaga	S	20	68
Boulogne	C	10	50	Malta	S	19	66
Casablnca	S	20	68	Nairobi	S	24	75
Cape Tn.	S	21	71	Naples	C	20	68
Corfu	F	20	68	Nice	C	16	61
Dubrovnik	C	17	63	Nicosia	S	23	73
Faro	S	20	68	Oporto	S	16	61
Florence	S	17	63	Rhodes	S	21	70
Funchal	F	20	68	Salzburg	Dz	7	45
Gibraltar	S	18	65	Tangier	S	20	68
Guernsey	F	12	54	Tenerife	F	21	70
Innsbruck	C	10	50	Tunis	F	20	68
Inverness	C	9	48	Valencia	S	17	63
I of Man	S	10	50	Venice	F	13	55
Istanbul	C	14	57				

S—Sunny. F—Fair. C—Cloudy. R—Rain. Dz—Drizzle.

Treasury pledge on control of expenditure

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

TREASURY officials yesterday responded to criticism that public expenditure is out of control by promising to publish cash limits on certain departmental programmes next year, and to improve the reliability of the flow of information from Government departments, local authorities and nationalised industries on the course of public spending.

In evidence to the Commons Expenditure sub-committee on the finance of public spending, Mr. Fred Jones, deputy secretary, general expenditure division, admitted: "Treasury Ministers and the Treasury are extremely concerned about the growth of public expenditure and the need to bring it under control."

He said the Treasury agreed with the point made earlier this week by Mr. Wynne Godley, director of the Department of Applied Economics at Cambridge and a consultant to the Treasury that public spending between the years 1970-71 and 1974-75 had risen some £5bn. more than what would have been necessary to keep pace with changes in gross domestic product.

Mr. Jones went further, and conceded that public expenditure had risen by 28 per cent. between the two years, against a rise of 12 per cent. implied by the 1971 public expenditure White Paper —a rise of £5½bn. above the original projection.

In defence of his department, Mr. Jones said nearly half of this was directly attributable to policy changes decided by the Treasury's political masters.

In contrast to Mr. Godley, who had put a lot of emphasis on pay and price increases as a factor behind the extra £5½bn., Mr. Jones played this down.

He itemised £1½bn. as being the result of "announced policy changes"; £1½bn. of "other volume increases" (of which more than £1bn were deliberate policy changes in housing); £1½bn. owing to a greater than forecast "relative price effect" (the attempt the Treasury makes to forecast how much faster than average will be the rise in the prices of some categories of goods and services used by the labour intensive public sector); and £½bn. as the result of higher than expected debt interest.

● Another important witness at yesterday's hearings was Mr. Christopher Dow, Executive Director of the Bank of England, who said that the Government's borrowing requirement could be financed "with the sort of monetary expansion which has been indicated, without running into difficulties with interest rates."

In an uncommonly revealing remark on Treasury/Bank relations, Mr. J. M. Bridgeman, a Treasury under-secretary, said: "We have a through line to the chief cashier. If we wanted to increase interest rates we would use it."

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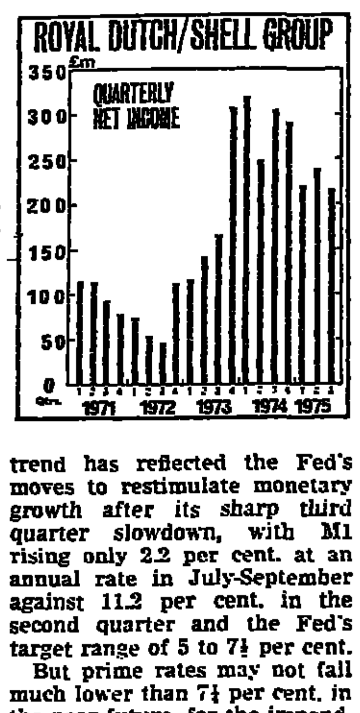
THE LEX COLUMN

Shell turning the corner

Index rose 5.2 to 366.0



Shell's third quarter figures are subject to all kinds of adjustments, but the underlying trend is firm. Published earnings have slipped from £237.5m. to £216.9m. between the second and third quarters. After allowing for exceptional items, however, the pattern is reversed with net income emerging roughly a tenth up at about £221m. This gain is almost entirely to do with currency movements, and in dollar terms the adjusted figures for the two quarters are more or less the same.

North America and gas have provided the main supports so far. Shell Oil now accounts for 27 per cent. of earnings, and contributed an extra £15m. or so compared with the second quarter. Gas prices remain firm in Western Europe, and the Brunei project has moved up to about 80 per cent. of peak volume levels.

But other parts of the business are now starting to recover. An increase in refinery utilisation led to higher stocks during the summer months, but the underlying volume declines outside North America have subsequently flattened out and although heavy fuel prices are still flat, the normal seasonal pick-up may leave some mark this time. Elsewhere, it seems clear that the chemical industry is turning the corner in Western Europe: Shell's third quarter was no worse than its second, and it confirms that prices have been looking firmer recently.

The prospect of earnings pushing through £900m. in 1975 and of sizeable gains in 1976 provided the background for yesterday's £17m. placing of the Burmah holding. This went quickly, within 4 per cent. of the market price, and was widely spread with a maximum of 50,000 shares for each deal. Although the shares ended 8p lower at 376p, a current year p/e of under 6 retains its appeal.

U.S. money rates

Another round of U.S. prime rate cuts is likely to be initiated by Citibank to-day, with its rate falling another ¼-point to 7¼ per cent. That would almost completely reverse the summer surge in interest rates which took primes up from 7 to 8 per cent. between July and September. The latest downtrend has reflected the Fed's moves to restimulate monetary growth after its sharp third quarter slowdown, with M1 rising only 2.2 per cent. at an annual rate in July-September against 11.2 per cent. in the second quarter and the Fed's target range of 5 to 7½ per cent.

But prime rates may not fall much lower than 7¼ per cent. in the near future, for the impending default of New York City has made the banks more than usually keen to keep their margins high. Moreover Dr. Arthur Burns, chairman of the Fed, has warned this week of the need for a tighter policy at a later stage of the U.S. economic recovery. Yesterday's news of a disturbing 1.8 per cent. jump in U.S. wholesale prices during October provided a reminder of the inflationary forces which are emerging quite early in the business upturn.

Beaverbrook

Beaverbrook has moved strongly out of the red for the second half of 1974-75, and the gross dividend—up 2p to 2½p—is now 1p short of the 1972-73 levels. Borrowings are still rising but the strains are being eased by £8m. of medium term financing, and the chances of Beaverbrook pushing earnings further ahead in the current year look very fair.

The second half turnround has been worth close on £4m. pre-tax for profits overall of £2.13m., against a loss of £1.3m. This excludes an exceptional credit of £1.1m. for depreciation adjustments: and below the line there are extraordinary debits of nearly 1m. Obviously a sizeable chunk of the recovery can be attributed to once and for all gains like the ending of the Saturday edition of the Evening Standard and the closure in Glasgow. But the group has also had hefty cover price rises to help offset the problem of declining circulations and sharp falls in advertising revenue. This year has started with another price rise for the Sunday Express and the benefits of integrated production in London are now coming through strongly. The shares rose 2p to 45p yesterday, and earnings of 8¾p cover a yield of 5.8 per cent. over five times.

Hoover

Hoover is now definitely in the grips of the consumer spending squeeze. Although third quarter profits are £1.4m. up at £2.9m. pre-tax, this is by comparison with a strike-affected period, and the 1973 figure was £5.4m. Overseas markets have been particularly weak with the Dutch company, which covers the Continent, losing £166,000 in the third quarter, against a profit of £368,000. In the U.K., the main problem has been margins—down nearly six points to 11¼ per cent. compared with the first nine months of 1973. The group's pricing policy for much of the first half was determined by the priority of recovering market share lost during last autumn's strike—now largely achieved with a return to around 40 per cent. of washing machine and a half of total cleaner sales. And now Hoover faces intense price competition throughout the domestic appliance sector.

The usual seasonal upturn in trade is to date less marked than hoped, though somewhat surprisingly washing machine sales have been buoyant with an order backlog. Overseas, there have been signs of a pick-up recently in some Continental markets, such as France, and in Australia. Overall, after a rise from £8.3m. to £14.6m. so far this year, the fourth quarter could contribute between £3.5m. and £4m. for a full year total approaching £18.5m., against £4.9m. The shares have been very strong over the last couple of months, but this momentum may not be maintained, given the likelihood of an unfavourable trading background for the first half of next year, at least. The yield is 5.7 per cent. at 315p.

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